

**WILLINGBORO
MUNICIPAL UTILITIES AUTHORITY**

REPORT OF AUDIT

**WITH
SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
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WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Roster of Officials
As of December 31, 2023

Members

Patricia Lindsay-Harvey
Kevin McIntosh
James Boyer
Darvis Holley
Carl Turner
Will Weston
Diallyo Diggs

Position

Chairperson
Vice-Chairperson
Commissioner
Commissioner
Commissioner
Alternate Commissioner
Alternate Commissioner

Other Officials

James Mackie
Rhonda Gigliotti
Richard A. Alaimo Associates
Environmental Resources
Pennonni Associates
Jason Holt, Esq.
of Chiesa Shahinian & Giantomasi
TD Bank, National Association
CEB LLC
McManimon, Scotland & Baumann LLC

Executive Director
Finance Director
Consulting Engineers
Consulting Engineers
Consulting Engineers

Solicitor
Trustee for Bondholders
Insurance Broker
Bond Counsel

**WILLINGBORO MUNICIPAL UTILITIES
AUTHORITY**

PART I

FINANCIAL SECTION

**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

INDEPENDENT AUDITOR'S REPORT

The Chairperson and Members of
The Willingboro Municipal Utilities Authority
Willingboro, New Jersey

Qualified Opinion

We have audited the accompanying financial statements of the business-type activities of the Willingboro Municipal Utilities Authority, in the County of Burlington, State of New Jersey, a component unit of the Township of Willingboro (Authority), as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on the 2023 Financial Statements section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Willingboro Municipal Utilities Authority, in the County of Burlington, State of New Jersey, a component unit of the Township of Willingboro, as of December 31, 2023 and 2022, and the changes in its financial position and its cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion on the 2023 Financial Statements

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Willingboro Municipal Utilities Authority, in the County of Burlington, State of New Jersey, a component unit of the Township of Willingboro, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the 2023 financial statements and for our opinion on the 2022 financial statements.

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Basis for Qualified Opinion on the 2023 Financial Statements (Cont'd)

Matter Giving Rise to the Qualified Opinion on the 2023 Financial Statements

As more fully described in Note 4, the report for Governmental Accounting Standards Board (“GASB”) Statement No. 68, Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement no. 27, for the State of New Jersey Public Employees’ Retirement System has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the “Division”). As a result, the Authority has not recorded the related expenses in the statement of revenues, expenses and changes in net position. Accounting principles generally accepted in the United States of America require that such expense be recorded, which would affect deferred inflows and outflows of resources related to Pensions, net Pension obligation, Accounts Payable - Related to Pension, Accrued Liabilities - Related to Pension, unrestricted net position, expenses and the note disclosures in the 2023 basic financial statements. The amount by which this departure would affect the basic financial statements is not reasonably determinable.

As more fully described in Note 4, the report for Governmental Accounting Standards Board (“GASB”) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for the State of New Jersey State Health Benefits Local Government Retired Employees Plan (“SHBP”) has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the “Division”) and the information on the Authority Plan has not been updated. As a result, the Authority has not recorded the related expenses in the statement of revenues, expenses and changes in net position. Accounting principles generally accepted in the United States of America require that such expense be recorded, which would affect deferred inflows and outflows of resources related to OPEB, net OPEB obligation, unrestricted net position, expenses and the note disclosures in the 2023 basic financial statements. The amount by which this departure would affect the basic financial statements is not reasonably determinable.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the Authority's total OPEB liability and related ratios, schedule of the Authority's proportionate share of the net OPEB liability, schedule of the Authority's OPEB contributions, schedule of the Authority's proportionate share of the net pension liability and schedule of the Authority's pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information for the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We were unable to apply certain limited procedures to the required supplementary information for the schedule of changes in the Authority's total OPEB liability and related ratios, schedule of the Authority's proportionate share of the net OPEB liability, schedule of the Authority's OPEB contributions, schedule of the Authority's proportionate share of the net pension liability and schedule of the Authority's pension contributions in accordance with auditing standards generally accepted in the United States of America because the information was unavailable. We do not express an opinion or provide any assurance on the information.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary schedules and the schedule of expenditure of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects on the supplementary information of the qualified opinion on the basic financial statements as explained in the Basis for Qualified Opinion on the 2023 Financial Statements section, the accompanying supplementary schedules and the schedules of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
May 2, 2024

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Chairperson and Members of
The Willingboro Municipal Utilities Authority
Willingboro, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Willingboro Municipal Utilities Authority, in the County of Burlington, State of New Jersey, a component unit of the Township of Willingboro (Authority), as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 2, 2024. Our report on the financial statements was qualified as a result of information for Pensions and Postemployment Benefits Other Than Pensions for the measurement date as required by Governmental Accounting Standards Board ("GASB") Statement No. 68 and 75 not being available.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did disclose an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying *Schedule of Findings and Questioned Costs* as finding number 2023-001.

The Authority's Response to Findings

The Authority's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, and federal awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
May 2, 2024

**Willingboro Municipal Utilities Authority
Management's Discussion and Analysis
For the Years Ended December 31, 2023 and 2022
(Unaudited)**

The Willingboro Municipal Utilities Authority (Authority) provides water and wastewater services to Willingboro Township and portions of Westampton Township. Additionally, the Authority has long-term contracts with the Edgewater Park Sewerage Authority to provide wastewater treatment and with the Townships of Mount Laurel and Evesham for the provision of up to 5 million gallons per day (gpd) of potable water.

This section of the Authority's annual financial report provides a discussion and analysis of the Authority's financial performance for the years ending December 31, 2023 and 2022. The entire annual financial report consists of five parts; Independent Auditor's Reports, the management's discussion and analysis, the basic financial statements, required supplementary information and supplemental schedules.

FINANCIAL HIGHLIGHTS

Comparative Statements of Net Position

During 2022 and 2023, the Authority expended over \$5 million dollars for capital additions. These additions consisted primarily of well 5a improvements and settling tanks .

Total assets at the end of 2023 equaled \$112,940,977.10. \$54,082,382.41 of the total was comprised of capital assets.

The Authority's debt ratio has decreased from .455 at the end of 2022 to .418 at the end of 2023. This is a result of the Authority's assets increasing while paying down existing debt.

Comparative Statements of Revenues, Expenses and Changes in Net Position

In 2023, the Authority generated operating income of \$6,055,360.36, an increase of \$2,154,391.26 when compared to 2022.

Only the sewer rates increased in 2023. The minimum quarterly rate went from \$142.92 (sewer \$63.40 and water \$79.52 per quarter) in 2022 to \$148.63 (sewer \$69.11 and water \$79.52 per quarter) in 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America that are promulgated by the Governmental Accounting Standards Board. The Authority is structured as a single enterprise fund with revenues recognized when earned and expenses recognized when incurred. Capital assets, which meet certain criteria, are capitalized and depreciated over their useful lives (with the exception of land and construction in progress). A summary of the Authority's significant accounting policies is described in the "Notes to the Financial Statements" which is included with the audit as described above.

The comparative statements of net position includes all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources. As the Authority follows the accrual method of accounting, the current year's revenues and expenses are accounted for in the comparative statements of revenues, expenses and changes in net position regardless of when cash is received or paid. Net position – the difference between the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources – is a measure of the Authority's financial health or position.

The comparative statements of revenues, expenses and changes in net position provides a breakdown of the various areas of revenues and expenses encountered during the current year.

The comparative statements of cash flows provides a breakdown of the various sources of cash flow, categorized into four areas: Cash flows from operating activities, non-capital financing activities, capital and related financing activities and investing activities.

Management's Discussion and Analysis (Cont'd)
(Unaudited)

ANALYSIS OF THE AUTHORITY'S FINANCIAL STATEMENTS

Overall, the Authority's finances in 2023 continue to show improvement over the past several years. Operating expenses increased by \$1,525,018.77 and operating revenues increased by \$3,679,410.03. Non-operating revenues increased by \$662,595.37, mainly as a result of an increase in interest rates. Non-operating expenses increased by \$454,146.60, mainly as a result of interest expense and loss on disposal of assets increasing. These items resulted in the Authority's net position increasing by \$5,904,470.34.

The table below compares the percent change in revenues and appropriations from one year to the next over the past five years.

Operating Fund Trends
Percent Change from Year to Year
Over the Last 5 Years

	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	Average % Change	CY Difference
Water Operating Revenues	-1.57%	18.63%	1.89%	4.22%	23.06%	9.25%	13.81%
Water Operating Expenses	-2.51%	4.31%	0.16%	0.94%	7.25%	2.03%	5.22%
Sewer Operating Revenues	-3.63%	7.35%	2.17%	9.20%	27.02%	8.42%	18.60%
Sewer Operating Expenses	-5.47%	3.20%	-15.85%	19.67%	21.76%	4.66%	17.10%

Since 2018, revenues of the Authority increased by just over \$6.1 million while the cost of service (exclusive of depreciation) has only increased by approximately \$2 million. Employee related costs continue to be the largest component of the operating budget. Increases in salaries, health insurance and pension are expected to rise ahead of the rate of inflation and will continue to have a significant impact upon the Authority's overall financial position.

The amount of the Authority's total liabilities decreased in 2023 by approximately \$1.8 million as compared to 2022. This is primarily the result of the decrease in NJIB Loans.

There are significant challenges ahead for the Authority to find new sources of revenue, charge appropriate service rates, continue to attempt to reduce operating expenses and continue to invest in its aging infrastructure. The Authority's infrastructure continues to age and the need to invest more funds in the infrastructure will become more and more pressing. Most of the funding for a more aggressive capital program will likely need to be generated through rate increases and the issuance of bonds or loans. Over the past several years, the Authority has conducted an extensive evaluation of its existing infrastructure and has adopted a plan to address its improvement.

Management's Discussion and Analysis (Cont'd)
(Unaudited)

ANALYSIS OF THE AUTHORITY'S FINANCIAL STATEMENTS (CONT'D)

Exhibit A
Comparative Statements of Net Position
As of December 31, 2023, 2022 and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>Change from 2023 to 2022</u>	
				<u>Amount</u>	<u>Percentage</u>
Assets					
Current Assets					
Unrestricted Assets	\$ 26,689,198.93	\$ 26,089,471.47	\$ 21,711,338.71	\$ 599,727.46	2.30%
Restricted Assets	29,996,188.32	27,555,067.87	27,524,966.65	2,441,120.45	8.86%
Non-Current Assets					
Lease Receivable	2,173,207.44	1,298,620.06	1,514,559.02	874,587.38	67.35%
Capital Assets	54,082,382.41	51,850,729.35	48,825,162.50	2,231,653.06	4.30%
Total Assets	\$ 112,940,977.10	\$ 106,793,888.75	\$ 99,576,026.88	\$ 6,147,088.35	5.76%
Deferred Outflows of Resources	\$ 4,280,518.76	\$ 4,280,518.76	\$ 5,166,824.94	\$ -	0.00%
Liabilities					
Current Liabilities					
Unrestricted Liabilities	\$ 2,463,994.70	\$ 2,531,430.90	\$ 2,167,786.50	\$ (67,436.20)	-2.66%
Restricted Liabilities	20,702,171.37	20,607,417.10	11,034,435.55	94,754.27	0.46%
Long-Term Liabilities	45,254,902.60	47,075,889.76	53,664,232.01	(1,820,987.16)	-3.87%
Total Liabilities	\$ 68,421,068.67	\$ 70,214,737.76	\$ 66,866,454.06	\$ (1,793,669.09)	-2.55%
Deferred Inflows of Resources	\$ 11,713,125.12	\$ 13,129,810.02	\$ 13,688,168.34	\$ (1,416,684.90)	-10.79%
Net Position					
Net Investment in Capital Assets	\$ 24,705,912.15	\$ 21,596,402.60	\$ 27,540,596.44	\$ 3,109,509.55	14.40%
Restricted	8,496,282.77	7,401,409.10	6,146,991.45	1,094,873.67	14.79%
Unrestricted (Deficit)	3,885,107.15	(1,267,951.97)	(9,499,358.47)	5,153,059.12	-406.41%
Total Net Position	\$ 37,087,302.07	\$ 27,729,859.73	\$ 24,188,229.42	\$ 9,357,442.34	33.75%

Management's Discussion and Analysis (Cont'd)
(Unaudited)

ANALYSIS OF THE AUTHORITY'S FINANCIAL STATEMENTS (CONT'D)

Exhibit B
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2023, 2022 and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>Change from 2023 to 2022</u>	
				<u>Amount</u>	<u>Percentage</u>
Operating Revenues					
Service Charges	\$ 12,138,493.65	\$ 11,583,425.29	\$ 10,951,413.76	\$ 555,068.36	4.79%
Intergovernmental Service Agreements	2,458,052.30	2,298,262.03	2,200,040.05	159,790.27	6.95%
Connection Fees	2,919,681.50	283,355.80	9,012.00	2,636,325.70	930.39%
Other Operating Revenue	970,113.35	641,887.65	745,023.06	328,225.70	51.13%
Total Operating Revenue	<u>18,486,340.80</u>	<u>14,806,930.77</u>	<u>13,905,488.87</u>	<u>3,679,410.03</u>	<u>24.85%</u>
Operating Expenses					
Administration	2,379,863.73	1,973,369.99	2,083,430.05	406,493.74	20.60%
Cost of Providing Services	6,913,179.61	6,704,025.00	5,528,931.64	209,154.61	3.12%
Major Repairs	560,346.94	83,144.93	121,386.34	477,202.01	573.94%
Depreciation	2,577,590.16	2,145,421.75	2,286,036.67	432,168.41	20.14%
Total Operating Expenses	<u>12,430,980.44</u>	<u>10,905,961.67</u>	<u>10,019,784.70</u>	<u>1,525,018.77</u>	<u>13.98%</u>
Non-Operating Revenue (Expenses)	<u>(150,890.02)</u>	<u>(359,338.79)</u>	<u>(698,016.39)</u>	<u>208,448.77</u>	<u>-58.01%</u>
Contributed Capital	<u>3,452,972.00</u>	<u>-</u>	<u>-</u>	<u>5,815,812.03</u>	<u>164.21%</u>
Change in Net Position	<u>9,357,442.34</u>	<u>3,541,630.31</u>	<u>3,187,687.78</u>	<u>5,815,812.03</u>	<u>164.21%</u>
Net Position - Beginning	<u>27,729,859.73</u>	<u>24,188,229.42</u>	<u>21,000,541.64</u>	<u>3,541,630.31</u>	<u>14.64%</u>
Net Position - Ending	<u>\$ 37,087,302.07</u>	<u>\$ 27,729,859.73</u>	<u>\$ 24,188,229.42</u>	<u>\$ 9,357,442.34</u>	<u>33.75%</u>

Management's Discussion and Analysis (Cont'd) (Unaudited)

BUDGET VARIANCES

Total excess revenues over expenses - budgetary basis were \$7,648,416.18.

The largest sewer revenue variations were connection fees and investment income, which amounted to \$350,901.00 and \$415,252.90 more than the budget projected. These variances were due to the increase in properties that connected and the increase in interest rates. The largest water revenue variations were also in connection fees, investment income and other miscellaneous revenue. These amounted to a favorable variances of \$418,780.50, \$442,729.27 and \$519,120.28 more than the budget projected. These variances were due to the increase in properties that connected, the increase in interest rates and the Authority being able to charge interest on delinquent accounts again.

There were only minimal sewer and water expenditure variations during the year with both administration and cost of service expenditures coming in under budget. The non-operating interest on debt appropriation for the water budget was overexpended by \$107,075.08 as a result of an adjustment for accrued interest.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

SEWER

The proposed five-year Capital Program for the Sewer Department totals \$54,806,100.00. The major line items making up a portion of the Sewer Capital Budget are:

1. Collection Equipment and Vehicles
2. Treatment Plant Improvements
3. Sanitary Sewer Rehab
4. Clarifiers
5. Sludge Dewatering Facility

WATER

The proposed five-year Capital Program for the Water Department totals \$54,988,800.00. The major line items making up a portion of the Water Capital Budget are:

6. Water Plant Upgrades
7. Equipment and Vehicles
8. Well & Tank Rehabilitation
9. Meribrook PFOS Facility

The Authority has not experienced any change in its credit rating, nor does it anticipate any. The Authority does not operate under any debt limitations; it is required to receive approval from the Township and the Local Finance Board prior to issuing debt.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide Authority customers, investors, clients and creditors, with an overview of the Authority's finances and to demonstrate the Authority's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact James Mackie, Executive Director, Willingboro Municipal Utilities Authority, 433 John F. Kennedy Way, Willingboro, New Jersey 08046. You may also visit our web site www.wmua.info

BASIC FINANCIAL STATEMENTS

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Comparative Statements of Net Position
As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 20,267,138.75	\$ 19,881,121.36
Investments	243,400.00	150,144.82
Consumer Accounts Receivable	5,373,146.44	4,588,245.10
Intergovernmental Service Agreements Receivable	226,006.20	858,178.39
Other Accounts Receivable	61,559.12	2,069.81
Current Portion of Lease Receivable	89,041.80	215,938.96
Investment Income Receivable	31,978.28	42,297.68
Inventory	396,928.34	351,475.35
Total Unrestricted Assets	<u>26,689,198.93</u>	<u>26,089,471.47</u>
Restricted Assets:		
Cash and Cash Equivalents	5,120,157.01	6,138,150.39
NJIB Loan Receivable	21,412,307.00	21,412,307.00
Grant Receivable	3,452,972.00	
Interest Income Receivable	10,752.31	4,610.48
Total Restricted Assets	<u>29,996,188.32</u>	<u>27,555,067.87</u>
Total Current Assets	<u>56,685,387.25</u>	<u>53,644,539.34</u>
Non-Current Assets:		
Lease Receivable	<u>2,173,207.44</u>	<u>1,298,620.06</u>
Capital Assets:		
Construction in Progress	11,983,104.44	15,410,692.50
Completed (net of depreciation)	42,099,277.97	36,440,036.85
Total Capital Assets	<u>54,082,382.41</u>	<u>51,850,729.35</u>
Total Non-Current Assets	<u>56,255,589.85</u>	<u>53,149,349.41</u>
Total Assets	<u>112,940,977.10</u>	<u>106,793,888.75</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB	3,476,443.76	3,476,443.76
Related to Pensions	804,075.00	804,075.00
Total Deferred Outflows of Resources	<u>4,280,518.76</u>	<u>4,280,518.76</u>

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Comparative Statements of Net Position
As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	\$ 498,521.48	\$ 993,737.92
Accounts Payable - Related to Pension	375,719.00	375,719.00
Accrued Wages	165,595.96	
Current Portion of Compensated Absences Payable	236.90	16,423.78
Unearned Revenue	1,050,700.23	933,765.49
Overpaid Consumer Accounts Receivable	373,221.13	211,784.71
	<hr/>	<hr/>
Total Current Liabilities Payable from Unrestricted Assets	2,463,994.70	2,531,430.90
Current Liabilities Payable from Restricted Assets:		
Accrued Interest Payable	193,146.88	77,912.56
Accounts Payable	186,196.73	425,107.12
Cost of Issuance Payable	99,961.00	244,784.00
Retainage Payable	57,366.33	29,594.11
Planning Escrow Deposits	103,221.72	176,378.48
Accrued Liabilities	86,781.56	86,781.56
Current Portion of NJIB Loans Payable	19,975,497.15	19,566,859.27
	<hr/>	<hr/>
Total Current Liabilities Payable from Restricted Assets	20,702,171.37	20,607,417.10
	<hr/>	<hr/>
Total Current Liabilities	23,166,166.07	23,138,848.00
Long-term Liabilities:		
Compensated Absences Payable	230,224.91	210,110.91
OPEB Liability	11,964,321.00	11,964,321.00
Accrued Liabilities - Related to Pension	187,860.00	187,860.00
Net Pension Liability	4,496,353.00	4,496,353.00
NJIB Loans Payable	28,376,143.69	30,217,244.85
	<hr/>	<hr/>
Total Long-Term Liabilities	45,254,902.60	47,075,889.76
	<hr/>	<hr/>
Total Liabilities	68,421,068.67	70,214,737.76
DEFERRED INFLOWS OF RESOURCES		
Reserve for Connection Fees	1,797,472.43	4,027,281.43
Related to Leases	1,918,072.69	1,104,948.59
Related to OPEB	6,827,371.00	6,827,371.00
Related to Pensions	1,170,209.00	1,170,209.00
	<hr/>	<hr/>
Total Deferred Inflows of Resources	11,713,125.12	13,129,810.02
	<hr/>	<hr/>

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WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Comparative Statements of Net Position
 As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
NET POSITION		
Net Investment in Capital Assets	\$ 24,705,912.15	\$ 21,596,402.60
Restricted for:		
Bond Resolution Covenants	8,282,026.95	7,182,731.95
Unemployment Compensation	214,255.82	218,677.15
Unrestricted (Deficit)	3,885,107.15	(1,267,951.97)
Total Net Position	\$ 37,087,302.07	\$ 27,729,859.73

The accompanying Notes to Financial Statements are an integral part of these statements.

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Comparative Statements of Revenues, Expenses and Changes in Net Position
 For The Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Service Fees	\$ 12,138,493.65	\$ 11,583,425.29
Intergovernmental Service Agreements	2,458,052.30	2,298,262.03
Connection Fees	2,919,681.50	283,355.80
Other Operating Revenues	970,113.35	641,887.65
Total Operating Revenues	18,486,340.80	14,806,930.77
Operating Expenses:		
Administration:		
Salaries and Wages	779,537.21	717,729.64
Fringe Benefits	384,344.40	261,421.24
Other Expenses	1,215,982.12	994,219.11
Total Administration	2,379,863.73	1,973,369.99
Cost of Providing Service:		
Salaries and Wages	2,315,698.15	1,957,074.17
Fringe Benefits	1,306,122.96	785,593.87
Other Expenses	3,291,358.50	3,961,356.96
Total Cost of Providing Service	6,913,179.61	6,704,025.00
Major Repairs	560,346.94	83,144.93
Depreciation	2,577,590.16	2,145,421.75
Total Operating Expenses	12,430,980.44	10,905,961.67
Operating Income	6,055,360.36	3,900,969.10
Non-operating Revenue (Expenses):		
Investment Income	887,982.17	220,756.96
Net Unemployment Activity	5,764.34	5,202.25
Lease Interest Income	37,968.73	43,160.66
Cost of Issuance		(157,452.00)
Loss on Disposal of Assets	(442,552.03)	(64,141.46)
Interest Expense	(440,053.23)	(206,865.20)
Contribution to Willingboro Township Per N.J.S.A. 40A:5A-1	(200,000.00)	(200,000.00)
Total Non-operating Expenses	(150,890.02)	(359,338.79)
Income Before Contributions	5,904,470.34	3,541,630.31
Contributed Capital	3,452,972.00	-
Change in Net Position	9,357,442.34	3,541,630.31
Net Position - Beginning	27,729,859.73	24,188,229.42
Net Position - Ending	\$ 37,087,302.07	\$ 27,729,859.73

The accompanying Notes to Financial Statements are an integral part of these statements.

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Comparative Statements of Cash Flows
For The Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Receipts from Customers and Users	\$ 14,722,187.96	\$ 12,601,236.98
Payments to Employees	(4,616,179.64)	(4,288,337.76)
Payments to Suppliers	(5,608,356.99)	(4,876,504.94)
Other Operating Receipts	1,703,899.15	736,739.96
Net Cash Provided by Operating Activities	<u>6,201,550.48</u>	<u>4,173,134.24</u>
Cash Flows From Noncapital Financing Activities:		
Unemployment Activity	5,764.34	5,202.25
Contribution to Willingboro Township Per N.J.S.A. 40A:5A-1	(200,000.00)	(200,000.00)
Planning Escrow Activity	(75,901.07)	(14,839.62)
Net Cash Used in Noncapital Financing Activities	<u>(270,136.73)</u>	<u>(209,637.37)</u>
Cash Flows From Capital and Related Financing Activities :		
Capital Acquisitions	(5,460,189.11)	(6,167,716.09)
Retainage Payable		(109,648.18)
Cost of Issuance	(144,823.00)	(94,927.00)
NJIB Drawdowns		9,267,664.00
Debt Service Principal	(1,366,859.27)	(1,049,602.18)
Debt Service Interest	(390,422.92)	(222,212.76)
Net Cash (Used in) Provided by Capital and Related Financing Activities	<u>(7,362,294.30)</u>	<u>1,623,557.79</u>
Cash Flows From Investing Activities:		
Investment Income	892,159.74	173,928.67
Generation of Investments (Solar Renewable Energy Credits)	(93,255.18)	(248,222.82)
Proceeds from Sales of Investments		107,802.00
Net Cash Provided by Investing Activities	<u>798,904.56</u>	<u>33,507.85</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(631,975.99)	5,620,562.51
Cash and Cash Equivalents - Beginning	<u>26,019,271.75</u>	<u>20,398,709.24</u>
Cash and Cash Equivalents - Ending	<u>\$ 25,387,295.76</u>	<u>\$ 26,019,271.75</u>

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WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Comparative Statements of Cash Flows
 For The Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Operating Income	\$ 6,055,360.36	\$ 3,900,969.10
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	2,577,590.16	2,145,421.75
Lease Interest Income	37,968.73	43,160.66
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:		
Pension Related Items		(712,903.00)
OPEB Related Items		155,016.18
Lease Related Items	65,433.88	50,306.97
Consumer Accounts Receivable	(784,901.34)	(965,288.83)
Intergovernmental Service Fees Receivable	632,172.19	(476,190.84)
Other Accounts Receivable	(59,489.31)	1,384.68
Inventory	(45,452.99)	(34,474.90)
Accounts Payable	(495,216.44)	196,690.96
Accrued Wages	165,595.96	
Unearned Revenue	116,934.74	48,215.00
Overpaid Consumer Accounts Receivable	161,436.42	112,814.33
Compensated Absences	3,927.12	(8,632.02)
Reserve for Connection Fees	(2,229,809.00)	(283,355.80)
	<u>\$ 6,201,550.48</u>	<u>\$ 4,173,134.24</u>
Net Cash Provided by Operating Activities		

The accompanying Notes to Financial Statements are an integral part of these statements.

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Willingboro Municipal Utilities Authority (the "Authority") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Reporting Entity

The Authority is a public body corporate and politic of the State of New Jersey and was originally created as a sewerage authority by an ordinance adopted on December 3, 1956 by the governing body of the Township of Willingboro (the "Township"), pursuant to the Sewerage Authority Law, Chapter 138 of the Laws of 1946, as amended. By ordinance of the governing body of the Township adopted October 7, 1957, the Authority was reorganized as a municipal utilities authority pursuant to the Municipal and County Utilities Authorities Law.

The Authority was created for the purpose of constructing, maintaining and operating water supply and distribution and sewerage collection and treatment facilities for the relief of waters in, bordering or entering the areas within the territorial boundaries of the Township from pollution or threatened pollution and for the improvement of conditions affecting the public health.

The Authority currently provides water supply and sewerage collection and treatment service to all residences and businesses within the Township and a portion of Westampton Township. The Authority also provides bulk water to Mt. Laurel Township and sewerage treatment service to Edgewater Park Township.

Component Unit

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the government.

The basic, but not the only-criterion for including a potential component unit within the reporting entity, is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority has no component units and is a component unit of the Township of Willingboro.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Presentation**

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

The transactions of the Authority are divided into two separate activities (water and sewer) within the enterprise fund type. Each activity is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Water and sewer service charges are recognized as revenue when services are provided. Connection fees are collected in advance and, accordingly, the Authority defers these revenues until the municipality issues a release for certificate of occupancy and determines that water distribution and sewage collection services are being provided to the properties.

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Budgets and Budgetary Accounting

The Authority must adopt an annual budget in accordance with N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current year and to adopt not later than the beginning of the Authority's year. The governing body may amend the budget at any point during the year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, loan premiums and the annual required contribution for the Authority's pension and other postemployment benefits (OPEB) Plans are not included in the budget appropriations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets and Budgetary Accounting (Cont'd)**

The legal level of budgetary control is established at the same level of detail shown on the comparative statements of revenues, expenses and changes in net position. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended. The Authority did adopt an amending budget resolution during the year.

The Authority records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of the school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Authority has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Inventory**

Inventory is recorded at cost and consists principally of spare parts for the infrastructure and chemicals for the treatment of water and sewerage. The Authority has determined that the inventories are material and are recorded in the financial statements.

Prepaid Expenses

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the applicable year end. The Authority had no prepaid expenses for the year ended December 31, 2023 and 2022.

Lease Receivable

Lease receivables recorded on the statements of net position represents a contract that conveys control of the right to use the Authority's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

Capital Assets

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets purchased prior to January 1, 1994 are stated at estimated cost. Assets purchased since are stated at actual cost.

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the capital asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Costs incurred during construction of an asset are recorded as construction in progress. In the year that the project is completed, these costs are transferred to Capital Assets - Completed. Interest costs incurred during construction are not capitalized into the cost of the asset.

Lease assets are measured on the statements of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Subscription assets are measured on the statements of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs.

Expenditures are capitalized when they meet the following requirements:

- 1) Cost of \$5,000 or more
- 2) Useful life of more than one year
- 3) Asset is not affected by consumption

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Depreciation**

Amortization on lease and subscription assets and depreciation on other capital assets is computed using the straight-line method over the shorter of the lease term or the following useful lives:

	<u>Years</u>
Buildings	30-40
Major Moveable Equipment	7-20
Vehicles	8-15
Infrastructure	10-25
Subscription Assets	5-10

Depreciation and amortization is calculated as of the month of acquisition.

Bond and Loan Premiums

Bond and loan premiums arising from the issuance of long-term debt are amortized over the life of the bonds and loans, in a systematic and rational method, from the issue date to maturity as a component of interest expense. Bond and loan premiums are presented as an adjustment of the face amount on the bonds and loans.

Deferred Outflows and Deferred Inflows of Resources

The comparative statements of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Authority is required to report the following as deferred outflows of resources and deferred inflows of resources: leases, connection fees received prior to providing water and sewer services, defined benefit pension plans and postemployment benefit plans.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue is recorded as a liability until the revenue is measurable and the Authority is eligible to realize the assets as revenue.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense (benefit), information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan (the Plan) and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", the Authority has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation or amortization of intangible capital assets, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets." This component includes net position that may be allocated for specific purposes by the Board.

Income Taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Operating and Non-Operating Revenues and Expenses**

Operating revenues include all revenues derived from water treatment and sewer collection facilities (e.g., water and sewer rents and connection fees) and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and money market funds.

Operating expenses include expenses associated with the operation, maintenance and repair of the water treatment and sewer collection systems and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt, debt issue costs and contribution to Willingboro Township.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Policies**Recently Issued and Adopted Accounting Pronouncements**

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective immediately. The adoption of this Statement had no impact on the Authority's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Policies (Cont'd)****Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements which will become effective in future years as indicated below:

Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement will become effective for the Authority in the year ending December 31, 2024. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Authority in the year ending December 31, 2024. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The Statement will become effective for the Authority in the year ending December 31, 2025. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**Compliance with Finance Related Legal and Contractual Provisions**

Management of the Authority is unaware of any material violations of finance related legal and contractual provisions.

General Bond Resolution

The Authority is subject to the provisions and restrictions of the General Bond Resolution adopted June 17, 1986 and Supplemental Resolutions adopted April 11 and May 5, 1991, October 15 and November 12, 1996, September 15 and October 1, 1998, March 20 and March 28, 2001 and August 20, 2002 (collectively the "Senior Bond Resolution"). A summary of the activities of each account created by the Bond Resolution is covered below.

Revenue Account - All money collected by the Authority for service charges or from any other source for operating, maintaining or repairing the system is deposited in this account. The Trustee, on the first day of each month, shall make payments into the other accounts to satisfy bond resolution or operating requirements.

Operating Account - The balance on deposit must be equal to at least 50% of the annual appropriation for operating expenses. At December 31, 2023, the balance in the operating account meets the requirements of the Bond Resolution.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**General Bond Resolution (Cont'd)**

A summary of the activities of each account created by the Bond Resolution is covered below: (Cont'd)

Bond Service Account - The balance on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds, principal amount maturing on bonds and sinking fund installments when such payments are required. At December 31, 2023, the balance in the bond service account meets the requirements of the Bond Resolution.

Bond Reserve Account - The amount of funds on deposit must be maintained at a level equal to the Maximum Debt Service to insure funds are available for payment of Debt Service. At December 31, 2023, the balance in the bond reserve account meets the requirements of the Bond Resolution.

Renewal and Replacement Account - These funds are maintained for reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements or maintenance items of a type not recurring annually. At December 31, 2023, the balance in the renewal and replacement account meets the requirements of the Bond Resolution.

General Account - All excess funds of the Authority are recorded in the general account. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the Authority may use the excess funds for any lawful purpose.

Debt Service Coverage

Section 709 of the Senior Bond Resolution requires certain ratios of Net Revenues to Debt Service. Compliance with this covenant is calculated as follows:

	<u>2023</u>	<u>2022</u>
Net Revenues		
Operating Income (Exhibit B)	\$ 6,055,360.36	\$ 3,900,969.10
Add: Depreciation Expense	2,577,590.16	2,145,421.75
Major Repairs & Other Expenses	560,346.94	83,144.93
GASB 68 and 75	-	(557,886.82)
Interest Revenue	887,982.17	220,756.96
	<u>\$ 10,081,279.63</u>	<u>\$ 5,792,405.92</u>
Total Net Revenues		
Senior Debt Service		
Interest Charges	\$ 100,848.37	\$ 112,725.54
Debt Principal	456,053.76	446,238.46
	<u>\$ 556,902.13</u>	<u>\$ 558,964.00</u>
Total Senior Debt Service		
Net Revenues	\$10,081,279.63	\$ 5,792,405.92
	<u>1810.24%</u>	<u>1036.28%</u>
Senior Debt Service	\$ 556,902.13	\$ 558,964.00
	<u>1810.24%</u>	<u>1036.28%</u>

This ratio meets the required debt service coverage.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**Junior Lien Bond Resolution**

The Authority is further subject to the provisions and restrictions of the Junior Lien Bond Resolution adopted August 18, 2009 (the "Junior Lien Resolution"). Section 402 of the Junior Lien Resolution creates a direct and special obligation on the Authority where the full faith and credit of the Authority is pledged to the payment of principal and interest on the Junior Lien Bond authorized under the Junior Lien Resolution. However, the obligation of the Authority to apply revenues or other funds to the payment of principal and interest on the Junior Lien Bonds is subject to prior obligation of the Authority to apply such revenues or other funds to the payment of operating expenses. The pledge of revenues and other such funds is subordinate to the provisions of the Senior Bond Resolution and the lien and pledge created by the Senior Bond Resolution.

Note 3: DETAIL NOTES - ASSETS**Cash and Cash Equivalents**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. Although the Authority does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Authority in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings or funds that may pass to the Authority relative to the happening of a future condition. If the Authority had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2023 and 2022, the Authority's bank balances of \$25,699,931.35 and \$26,354,552.91 were exposed to custodial credit risk as follows:

	<u>2023</u>	<u>2022</u>
Insured by FDIC	\$ 500,000.00	\$ 500,000.00
Insured by GUDPA	11,948,549.96	10,922,149.20
Insured and Collateralized	13,251,381.39	14,932,403.71
	<hr/>	<hr/>
Total	<u>\$ 25,699,931.35</u>	<u>\$ 26,354,552.91</u>

Investments

New Jersey authorities are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey authorities. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or other obligations of the local unit or units within which the Authority is located, bonds or other obligations approved by the Division of Investment in the Department of Treasury for investment by authorities, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. The Authority has no investment policy that would further limit its investment choices.

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Investments (Cont'd)**

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority has no investment policy to limit its exposure to custodial credit risk. All of the Authority's \$243,400.00 as of December 31, 2023 and \$150,144.82 as of December 31, 2022 investments in solar renewable energy certificates are held in the name of the Authority.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority's investment policies place no limit on the amount the Authority may invest in any one issuer. More than 5.0% of the Authority's investments are in short-term investments. These investments represent 100.00% of the Authority's total investments. All of the Authority's investments are in solar renewable energy certificates.

As of December 31, 2023 and 2022, the Authority had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Credit Rating</u>	<u>Fair Value Hierarchy Level</u> *	<u>Fair Value December 31, 2023</u>	<u>Fair Value December 31, 2022</u>
Solar Renewable Energy Credits	Demand	N/A	Level 1	\$ 243,400.00	\$ 150,144.82

The fair value hierarchy of the above investment is considered to be a level 1 input.

* Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As stated in note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority has no investment policy that would further limit its exposure to credit risk.

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Consumer Accounts Receivable**

The following is a three-year comparison of service charge billings and collections for all types of accounts maintained by the Authority:

<u>Year</u>	<u>Beginning Balance</u>	<u>Billings</u>	<u>Total Collections</u>	<u>Percentage of Collections</u>
2023	\$ 4,588,245.10	\$ 12,138,493.65	\$ 11,999,627.91	71.74%
2022	3,622,956.27	11,583,425.29	10,762,814.99	70.78%
2021	3,086,726.98	10,951,413.76	10,542,571.35	75.10%

Leases Receivable

The Authority reported leases receivable of \$2,262,249.24 and \$1,514,559.02 at December 31, 2023 and 2022, respectively.

The Authority reported lease revenue of \$154,505.08, and interest revenue of \$37,968.73 related to lease payments received during the year ended December 31, 2023

The leases as of December 31, 2023 are summarized as follows:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Towers	<u>\$ 2,262,249.24</u>	<u>\$ 154,505.08</u>	<u>\$ 37,968.73</u>

The Authority reported lease revenue of \$153,875.52 and interest revenue of \$43,160.66 related to lease payments received during the year ended December 31, 2022.

The leases as of December 31, 2022 are summarized as follows:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Towers	<u>\$ 1,514,559.02</u>	<u>\$ 153,875.52</u>	<u>\$ 43,160.66</u>

Cell Tower Lease - On November 1, 1997, the Authority entered into a five-year lease agreement with 6 five-year extensions with T-Mobile for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 2.00%. Based on this agreement, the Authority expects to receive payments through April 15, 2033.

On October 1, 2003, the Authority entered into a five-year lease agreement with 5 five-year extensions with Nextel for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 2.00%. Based on this agreement, the Authority expects to receive payments through September 30, 2033.

On May 1, 2005, the Authority entered into a five-year lease agreement with 3 five-year extensions with T-mobile for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 2.50%. Based on this agreement, the Authority expects to receive payments through December 31, 2023.

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Leases Receivable (Cont'd)**

On July 1, 2007, the Authority entered into a five-year lease agreement with 4 five-year extensions with Verizon for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 4.00%. Based on this agreement, the Authority expects to receive payments through December 31, 2031.

On March 1, 2008, the Authority entered into a five-year lease agreement with 4 five-year extensions with Clearwire for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 4.00%. Based on this agreement, the Authority expects to receive payments through February 28, 2033.

On September 4, 2011, the Authority entered into a five-year lease agreement with 3 five-year extensions with Sprint for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 2.00%. Based on this agreement, the Authority expects to receive payments through January 31, 2024.

On April 18, 2017, the Authority entered into a five-year lease agreement with 3 five-year extensions with AT&T for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 2.00%. Based on this agreement, the Authority expects to receive payments through April 17, 2042.

On April 18, 2017, the Authority entered into a five-year lease agreement with 3 five-year extensions with AT&T for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 2.00%. Based on this agreement, the Authority expects to receive payments through April 17, 2042.

On December 1, 2023, the Authority entered into a five-year lease agreement with 3 five-year extensions with Dish Network for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 4.75%. Based on this agreement, the Authority expects to receive payments through November 30, 2043.

The following schedule represents the remaining payments of principal and interest for the lease agreements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 89,041.80	\$ 79,579.40	\$ 168,621.20
2025	93,204.97	76,848.38	170,053.35
2026	100,479.16	73,870.00	174,349.16
2027	108,819.07	70,608.03	179,427.10
2028	116,559.33	67,056.10	183,615.43
2029-2033	574,147.06	275,678.41	849,825.47
2034-2038	343,149.08	209,637.40	552,786.48
2039-2043	416,377.82	140,707.51	557,085.33
2044-2048	<u>420,470.95</u>	<u>53,127.22</u>	<u>473,598.17</u>
Total	<u>\$ 2,262,249.24</u>	<u>\$ 1,047,112.45</u>	<u>\$ 3,309,361.69</u>

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Capital Assets**

During the year ended December 31, 2023, the following changes in capital assets occurred:

	<u>Balance</u> <u>Jan. 1, 2023</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Capital Assets not being Depreciated					
Land	\$ 1,530,698.44				\$ 1,530,698.44
Construction in Progress	15,410,692.50	\$ 5,251,795.25	\$ (8,557,588.46)	\$ (121,794.85)	11,983,104.44
Total Capital Assets not being Depreciated	<u>16,941,390.94</u>	<u>5,251,795.25</u>	<u>(8,557,588.46)</u>	<u>(121,794.85)</u>	<u>13,513,802.88</u>
Capital Assets being Depreciated					
Buildings	35,206,933.59		43,760.00		35,250,693.59
Major Moveable Equipment	1,512,675.97		168,275.17	(8,914.83)	1,672,036.31
Vehicles	1,640,901.40				1,640,901.40
Infrastructure	54,983,146.74		8,345,553.29	(702,811.84)	62,625,888.19
Total Capital Assets being Depreciated	<u>93,343,657.70</u>	<u>-</u>	<u>8,557,588.46</u>	<u>(711,726.67)</u>	<u>101,189,519.49</u>
Total Capital Assets	<u>110,285,048.64</u>	<u>5,251,795.25</u>	<u>-</u>	<u>(833,521.52)</u>	<u>114,703,322.37</u>
Less Accumulated Depreciation	<u>58,434,319.29</u>	<u>2,577,590.16</u>	<u>-</u>	<u>(390,969.49)</u>	<u>60,620,939.96</u>
Capital Assets, Net	<u>\$ 51,850,729.35</u>	<u>\$ 2,674,205.09</u>	<u>\$ -</u>	<u>\$ (442,552.03)</u>	<u>\$ 54,082,382.41</u>

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Capital Assets (Cont'd)**

During the year ended December 31, 2022, the following changes in capital assets occurred:

	<u>Balance</u> <u>Jan. 1, 2022</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Capital Assets not being Depreciated					
Land	\$ 1,530,698.44				\$ 1,530,698.44
Construction in Progress	17,916,156.76	\$ 5,235,130.06	\$ (7,676,452.86)	\$ (64,141.46)	15,410,692.50
Total Capital Assets not being Depreciated	<u>19,446,855.20</u>	<u>5,235,130.06</u>	<u>(7,676,452.86)</u>	<u>(64,141.46)</u>	<u>16,941,390.94</u>
Capital Assets being Depreciated					
Buildings	34,901,413.73		305,519.86		35,206,933.59
Major Moveable Equipment	1,482,935.97		29,740.00		1,512,675.97
Vehicles	1,640,901.40				1,640,901.40
Infrastructure	47,641,953.74		7,341,193.00		54,983,146.74
Total Capital Assets being Depreciated	<u>85,667,204.84</u>	<u>-</u>	<u>7,676,452.86</u>	<u>-</u>	<u>93,343,657.70</u>
Total Capital Assets	<u>105,114,060.04</u>	<u>5,235,130.06</u>	<u>-</u>	<u>(64,141.46)</u>	<u>110,285,048.64</u>
Less Accumulated Depreciation	<u>56,288,897.54</u>	<u>2,145,421.75</u>	<u>-</u>	<u>-</u>	<u>58,434,319.29</u>
Capital Assets, Net	<u>\$ 48,825,162.50</u>	<u>\$ 3,089,708.31</u>	<u>\$ -</u>	<u>\$ (64,141.46)</u>	<u>\$ 51,850,729.35</u>

Note 4: DETAIL NOTES – LIABILITIES

During the years ended December 31, 2023 and 2022, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>January 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 2023</u>	<u>Due Within</u> <u>One Year</u>
Loans Payable					
NJIB Loans	\$ 48,605,137.32	\$ 18,200,000.00	\$ (19,566,859.27)	\$ 47,238,278.05	\$ 19,975,497.15
Premium on Loans	1,178,966.80		(65,604.01)	1,113,362.79	
Total Loans Payable	49,784,104.12	\$ 18,200,000.00	(19,632,463.28)	48,351,640.84	19,975,497.15
Other Liabilities					
Compensated Absences	226,534.69	309,801.50	(305,874.38)	230,461.81	236.90
OPEB Liability	11,964,321.00			11,964,321.00	
Accrued Liabilities - Related to Pension	187,860.00			187,860.00	
Net Pension Liability	4,496,353.00			4,496,353.00	
Total Other Liabilities	16,875,068.69	309,801.50	(305,874.38)	16,878,995.81	236.90
Total Long-Term Liabilities	\$ 66,659,172.81	\$ 18,509,801.50	\$ (19,938,337.66)	\$ 65,230,636.65	\$ 19,975,734.05
	<u>Balance</u> <u>January 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 2022</u>	<u>Due Within</u> <u>One Year</u>
Loans Payable					
NJIB Loans	\$ 44,255,648.50	\$ 20,272,221.00	\$ (15,922,732.18)	\$ 48,605,137.32	\$ 19,566,859.27
Premium on Loans	211,918.65	982,669.00	(15,620.85)	1,178,966.80	
Total Loans Payable	44,467,567.15	21,254,890.00	(15,938,353.03)	49,784,104.12	19,566,859.27
Other Liabilities					
Compensated Absences	235,166.71	241,498.89	(250,130.91)	226,534.69	16,423.78
OPEB Liability	14,134,331.00	9,012,985.00	(11,182,995.00)	11,964,321.00	
Accrued Liabilities - Related to Pension	181,351.00	187,860.00	(181,351.00)	187,860.00	
Net Pension Liability	3,668,935.00	3,422,637.00	(2,595,219.00)	4,496,353.00	
Total Other Liabilities	18,219,783.71	12,864,980.89	(14,209,695.91)	16,875,068.69	16,423.78
Total Long-Term Liabilities	\$ 62,687,350.86	\$ 34,119,870.89	\$ (30,148,048.94)	\$ 66,659,172.81	\$ 19,583,283.05

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Compensated Absences**

The Authority accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Authority employees may accumulate unused sick days with no restrictions. Employees are compensated for accumulated sick leave upon retirement or resignation at one-half of their then current hourly rate of pay times the number of days accumulated, up to a maximum of \$15,000.00. Vacation days not used during the year may be carried forward for one year. Upon separation from the Authority, the employee will be paid for all accrued vacation time at their then current hourly rate. The accrued liability for accumulated sick leave and vacation time at December 31, 2023 and 2022 is estimated at \$230,461.81 and \$226,534.69, respectively.

Net Pension Liability

For details on the net pension liability, see the Pension Plans section of this note that follows. The Authority's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

Net OPEB Liability

For details on other postemployment benefits, see the Postemployment Benefits Other Than Pensions (OPEB) section of this note that follows. The Authority's contributions to the postemployment benefits plan are budgeted and paid as they are due.

Pension Plans

As of the date of this report, the information from the New Jersey Division of Pension's reporting on GASBS No. 68, *Accounting and Financial Reporting for Pensions* for the measurement period ended December 31, 2023 was not available. Management has elected to present the information from the measurement period December 31, 2022, even though it is not in compliance with GASBS No. 68; and as a result, no activity or changes were recorded in the December 31, 2023 financial statements.

A substantial number of the Authority's employees participate in the Public Employees' Retirement System ("PERS") which is administered by the New Jersey Division of Pensions and Benefits. In addition, Authority employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower (formerly Prudential Financial). Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS plan's fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****General Information about the Pension Plans****Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

The Authority's contractually required contribution rate for the year ended December 31, 2022 was 16.84% of the Authority's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the Authority's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$375,719.00, and was paid by April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2022 were \$170,608.87.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Authority, under Chapter 133, P.L. 2001, for the year ended December 31, 2022 was .42% of the Authority's covered payroll.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Authority, to the pension plan for the year ended December 31, 2022 was \$9,461.00, and was paid by April 1, 2023.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Authority contributes 3% of the employees' base salary, for each pay period.

For the years ended December 31, 2023 and 2022, there were no employees participating in DCRP.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of December 31, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Authority's proportionate share of the PERS net pension liability was \$4,496,353.00. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Authority's proportion was .0297941865% which was a decrease of .0011764373% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the year ended December 31, 2022, the Authority recognized its proportionate share of the PERS pension (benefit) expense of (\$350,201.00). These amounts were based on the Plan's June 30, 2022 measurement date.

For the year ended December 31, 2022, the Authority has recognized as a revenue and an expenditure on-behalf payments made by the State for the State's proportionate share of the PERS pension expense, associated with the Authority, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date. The amounts recognized as a revenue and an expenditure in the financial statements was \$9,461.00.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources – At December 31, 2022, the Authority had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Measurement Date	
	<u>June 30, 2022</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between Expected and Actual Experience	\$ 32,453.00	\$ 28,619.00
Changes of Assumptions	13,931.00	673,282.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	186,100.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	383,731.00	468,308.00
Contributions Subsequent to the Measurement Date	<u>187,860.00</u>	<u>-</u>
	<u><u>\$ 804,075.00</u></u>	<u><u>\$ 1,170,209.00</u></u>

Deferred outflows of resources in the amounts of \$187,860.00 will be included as a reduction of the net pension liability during the year ended December 31, 2023. This amount is based on an estimated April 1, 2024 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2022 to the Authority's year end of December 31, 2022.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Authority will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	5.48	-	June 30, 2018	5.00	-
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	-	5.48	June 30, 2017	5.48	5.48
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending December 31,</u>	
2023	\$ (395,972.00)
2024	(241,847.00)
2025	(87,510.00)
2026	173,569.00
2027	<u>(2,234.00)</u>
	<u>\$ (553,994.00)</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Actuarial Assumptions

Public Employees' Retirement System

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date <u>June 30, 2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.75% - 6.55%
Thereafter	Based on Years of Service
Investment Rate of Return	7.00%
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

For the June 30, 2022 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System (Cont'd)**

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 is summarized in the table below:

<u>Asset Class</u>	<u>Measurement Date</u> <u>June 30, 2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.54% as of the June 30, 2022 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Sensitivity of Authority's Proportionate Share of Net Pension Liability to Changes in the Discount Rate****Public Employees' Retirement System**

The following presents the Authority's proportionate share of the net pension liability as of the June 30, 2022 measurement date, calculated using a discount rate of 7.00%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	<u>\$ 5,776,496.00</u>	<u>\$ 4,496,353.00</u>	<u>\$ 3,406,899.00</u>

Pension Plan Fiduciary Net Position**Public Employees' Retirement System**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS' respective fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan**

As of the date of this report, the information from the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* for the measurement period ended June 30, 2023 was not available. Management has elected to present the information from the measurement period June 30, 2022, even though it is not in compliance with GASBS No. 75; and as a result, no activity or changes were recorded in the December 31, 2023 financial statements.

General Information about the State Health Benefit Local Government Retired Employees Plan

Plan Description and Benefits Provided - The Authority contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Authority was billed monthly by the Plan and paid \$243,098.28 for the year ended December 31, 2022. These amounts represent 10.90% of the Authority's covered payroll. During the year ended December 31, 2022, retirees were not required to contribute to the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2022, the Authority's proportionate share of the net OPEB liability was \$10,183,289.00.

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

The Authority's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the Authority's proportion was 0.063056% which was a decrease of 0.002680% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

OPEB (Benefit) Expense - At December 31, 2022, the Authority's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is \$238,972.00.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2022, the Authority had deferred outflows of resources and deferred inflows of resources from the following sources:

	Measurement Date	
	<u>June 30, 2022</u>	
	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows</u>	<u>Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Differences between Expected and Actual Experience	\$ 525,876.00	\$ 1,887,549.00
Changes of Assumptions	1,359,002.00	3,475,360.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	2,681.00	-
Changes in Proportion	1,442,413.00	1,071,503.00
Contributions Subsequent to the Measurement Date	<u>129,017.76</u>	<u>-</u>
	<u>\$ 3,458,989.76</u>	<u>\$ 6,434,412.00</u>

Deferred outflows of resources in the amount of \$129,017.76 was the result of the Authority contributions subsequent to the Plan's measurement date of June 30, 2022. This amount will be included as a reduction of the Authority's net OPEB liability during the year ending December 31, 2024.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Authority will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
Changes of Assumptions			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<u>Year Ending</u>	
December 31, 2024	\$ (780,471.00)
December 31, 2025	(781,286.00)
December 31, 2026	(567,752.00)
December 31, 2027	(320,066.00)
December 31, 2028	(13,344.00)
Thereafter	<u>(641,521.00)</u>
	<u>\$ (3,104,440.00)</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****Actuarial Assumptions**

The actuarial valuation at June 30, 2022 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *

PERS:

Initial Fiscal Year Applied:

Rate for All Future Years

2.75% to 6.55%

Mortality:

PERS - Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* salary increases are based on years of service within the respective Plan

Actuarial assumptions used in the valuation were based on the results of the PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members in the June 30, 2022 measurement dates are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****Actuarial Assumptions (Cont'd)**

Health Care Trend Assumptions – For the June 30, 2022 measurement date, health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription Drug Trend
	<u>Pre-65</u>	<u>PPO Post-65</u>	<u>HMO Post-65</u>	
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability as of June 30, 2022, the Plan's measurement date, for the Authority calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
Authority's Proportionate Share of the Net OPEB Liability	<u>\$ 11,804,482.00</u>	<u>\$ 10,183,289.00</u>	<u>\$ 8,878,888.00</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The Authority's proportionate share of the net OPEB liability as of June 30, 2022, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's Proportionate Share of the Net OPEB Liability	<u>\$ 8,638,791.00</u>	<u>\$ 10,183,289.00</u>	<u>\$ 12,161,356.00</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan

Management has elected to present the information from the measurement period December 31, 2022, even though it is not in compliance with GASBS No. 75; and as a result, no activity or changes were recorded in the December 31, 2023 financial statements.

General Information about the OPEB Plan

Plan Description and Benefits Provided - The Authority also provides Medicare Part B reimbursement to retirees and their covered dependents. The reimbursements are administered by the Authority; therefore, payments are made directly by the Authority to the retirees. No assets are accumulated in a trust. In accordance with GASB Statement 75, this plan is considered a Single Employer, Defined Benefit OPEB Plan that is not administered through a Trust that meets the criteria in paragraph 4 of GASB Statement 75.

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	26
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	
Active Employees	8
	34

Contributions

Employees are not required to contribute to the plan.

Total OPEB Liability

The Authority's total OPEB liability of \$1,781,032.00 as of December 31, 2022 was measured as of December 31, 2022. The liabilities were determined by an actuarial valuation as of the same dates.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan (Cont'd)****Actuarial Assumptions and Other Inputs**

The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% Annually
Discount Rate	2.05%
Healthcare Cost Trend Rates	
Medicare Part B	4.50%

The discount rate was based on the 20 year Municipal AA bond rate.

Mortality rates were based on PUB-2010 (G) Headcount-Weighted Healthy Employee Male / Female Mortality Projected with Scale MP-2021.

Termination rates were based on a 21% for employees with less than 1 year of service age less than 31 years old and 12% for employees 31 years or older grading down to 0.30% for both age groups of employees.

An experience study was not performed on the actuarial assumptions used in this valuation since the plan had insufficient data to produce a study with credible results. Mortality rates and termination rates were based on standard tables either issued by the SOA or developed for the applicable grade of employee. The actuary has used his/her professional judgement in applying these assumptions to this plan.

Changes in the Total OPEB Liability

The following table shows the changes in the total OPEB liability for the years ended December 31, 2022:

Balance at Beginning of Year		\$ 2,367,334.00
Changes for the Year:		
Service Cost	\$ 18,163.00	
Interest Cost	48,254.00	
Benefit Payments	(63,280.00)	
Actuarial Assumption Changes	(320,783.00)	
Actuarial Demographic Gains / (Losses)	<u>(268,656.00)</u>	
Net Changes		<u>(586,302.00)</u>
Balance at End of Year		<u>\$ 1,781,032.00</u>

Changes in Benefits - There were no changes of benefit terms at December 31, 2022.

Changes in Assumptions - In 2022, the discount rate changed to 3.65% from 2.05%.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan (Cont'd)****Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease (2.65%)	Current Discount Rate (3.65%)	1.00% Increase (4.05%)
Total OPEB Liability	<u>\$2,840,659.00</u>	<u>\$1,781,032.00</u>	<u>\$1,998,167.00</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	<u>\$ 1,977,485.00</u>	<u>\$ 1,781,032.00</u>	<u>\$ 2,867,459.00</u>

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the Authority recognized OPEB expense of \$249,385.00. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 17,454.00	\$ 213,855.00
Differences Between Expected and Actual Demographic Experience	<u>-</u>	<u>179,104.00</u>
	<u>\$ 17,454.00</u>	<u>\$ 392,959.00</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan (Cont'd)****OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (CONT'D)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2023	\$(179,026.00)
2024	<u>(196,479.00)</u>
	<u><u>\$(375,505.00)</u></u>

Postemployment Benefits Other Than Pensions (OPEB) – Summary of State and Authority Plan

At December 31, 2022, the Authority reported deferred outflows of resources, net OPEB liability and deferred inflows of resources related to OPEB from the following sources:

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022
Deferred Outflows of Resources - Related to OPEB				
State Plan	\$ 3,889,481.94	\$ 555,365.44	\$ (985,857.62)	\$ 3,458,989.76
Authority Plan	<u>396,902.00</u>		<u>(379,448.00)</u>	<u>17,454.00</u>
Total Deferred Outflows of Resources - Related to OPEB	<u><u>\$ 4,286,383.94</u></u>	<u>\$ 555,365.44</u>	<u>\$ (1,365,305.62)</u>	<u><u>\$ 3,476,443.76</u></u>
Net OPEB Liability				
State Plan	\$ 11,766,997.00	\$ 8,946,568.00	\$ (10,530,276.00)	\$ 10,183,289.00
Authority Plan	<u>2,367,334.00</u>	<u>66,417.00</u>	<u>(652,719.00)</u>	<u>1,781,032.00</u>
Total Net OPEB Liability	<u><u>\$ 14,134,331.00</u></u>	<u><u>\$ 9,012,985.00</u></u>	<u><u>\$ (11,182,995.00)</u></u>	<u><u>\$ 11,964,321.00</u></u>
Deferred Inflows of Resources - Related to OPEB				
State Plan	\$ 5,312,285.00	\$ 2,764,687.68	\$ (1,642,560.68)	\$ 6,434,412.00
Authority Plan		<u>589,439.00</u>	<u>(196,480.00)</u>	<u>392,959.00</u>
Total Deferred Inflows of Resources - Related to OPEB	<u><u>\$ 5,312,285.00</u></u>	<u><u>\$ 3,354,126.68</u></u>	<u><u>\$ (1,839,040.68)</u></u>	<u><u>\$ 6,827,371.00</u></u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Loans Payable - NJEIT 2008 K, Bond Series 2016 L, NJEIT Junior Lien Series 2010, 2014, 2015, 2017, 2022 and NJIB Interim Loans**

On November 9, 2008, the Authority closed on two loans from the New Jersey Environmental Infrastructure Trust (the "NJEIT Series 2008 K Bonds") totaling \$4,428,000.00 for the completion of emergency repairs to a sewer main. The first part of the loan award for \$2,198,000.00 is interest free. The \$2,230,000.00 portion carries interest rates that range from 5.00% to 5.50% with a final maturity in 2028.

On March 10, 2010, the Authority closed on four loans from the New Jersey Environmental Infrastructure Trust (the "NJEIT Junior Lien Series 2010") totaling \$4,787,982.00 for the completion of a micro-turbine facility, the installation of solar electric generating systems and the replacement of water main (the "2010 Project"). The total cost of the 2010 Project was \$9,533,946.00 and was financed with an interim loan of \$9,491,928.00 from the New Jersey Environmental Infrastructure Trust. Proceeds from the loan were used to retire the interim loan. In addition, the Authority received principal forgiveness under the federal government's American Resource and Recovery Act in the amount of \$4,745,964.00. Two parts of the loan award for \$2,372,982.00 are interest free. The remaining \$2,415,000.00 portion carries interest rates of 2.00% with a final maturity in 2025.

On May 21, 2014, the Authority closed on four loans from the New Jersey Environmental Infrastructure Trust (the "NJEIT Junior Lien Series 2014") totaling \$4,297,486.00 for Painting 1 MG Ground Storage Tank, Replacement of Lake Drive & Beechnut Lane Pump Station, Well 9 Electrical Upgrades, Trickling Filter Walkway Grating, Digester Cleaning and Repairs, and for the purchase of new water meters (the "2014 Project"). Two parts of the loan award for \$3,242,486.00 are interest free. The remaining \$1,055,000.00 portion carries interest rates that range from 3.00% to 5.50% with a final maturity in 2033.

On May 28, 2015, the Authority closed on four loans from the New Jersey Environmental Infrastructure Trust (the "NJEIT Junior Lien Series 2015") totaling \$2,651,837.00 for emergency generator replacements, trailered pumps, Tweedstone pump station upgrades and Wells 6, 9, 10, and 11 electrical upgrades. In addition, the Authority received principal forgiveness in the amount of \$635,088.00. Two parts of the loan award for \$1,871,837.00 are interest free. The remaining \$780,000.00 portion carries interest rates that range from 4.0% to 5.00% with a final maturity in 2034.

On November 21, 2017, the Authority closed on two loans from the New Jersey Environmental Infrastructure Trust (the "NJEIT Junior Lien Series 2017A-2") totaling \$4,288,449.00. The total cost of the 2017 Project was \$5,433,623.00 and was fully financed with an interim loan from the New Jersey Environmental Infrastructure Trust. Proceeds from the loan were used to retire the interim loan. In addition, the Authority received principal forgiveness in the amount of \$1,086,725.00. One part of the loan award for \$2,173,449.00 is interest free. The remaining \$2,115,000.00 portion carries interest rates that range from 2.125% to 5.00% with a final maturity in 2037.

On January 7, 2021, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$18,200,000.00. The interim loan matured January 7, 2023 and was renewed until January 7, 2024. The loan proceeds were used to fund the costs of the energy savings improvement program.

On November 9, 2022, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$6,561,021.00. The maturity date of the loan is November 9, 2024 or the date of closing for the anticipated permanent financing program of NJIB. The loan proceeds held by NJIB are being used to fund the costs of the Well 5A PFAS project.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Loans Payable - NJEIT 2008 K, Bond Series 2016 L, NJEIT Junior Lien Series 2010, 2014, 2015, 2017, 2022 and NJIB Interim Loans (Cont'd)**

On December 22, 2022, the Authority closed on two loans from the New Jersey Environmental Infrastructure Trust (the "NJEIT Junior Lien Series 2022A-2") totaling \$13,711,200.00. The total cost of the projects was \$12,996,348.00 and was fully financed with an interim loan from the New Jersey Environmental Infrastructure Trust. Proceeds from the loan were used to retire the interim loan. One part of the loan award for \$7,241,200.00 is interest free. The remaining \$6,470,000.00 portion carries interest rate of 5.00% with a final maturity in 2042.

<u>Year Ending December 31.</u>	<u>Interest Free Loan Principal</u>	<u>Loan Principal</u>	<u>Total Principal</u>	<u>Rates</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 25,806,518.15 **	\$ 730,000.00	\$ 26,536,518.15	4.00% - 5.00%	\$ 467,618.76	\$ 1,197,618.76
2025	1,047,157.59	700,000.00	1,747,157.59	3.00% - 5.00%	432,268.76	1,132,268.76
2026	1,045,497.15	670,000.00	1,715,497.15	3.00% - 5.00%	399,068.76	1,069,068.76
2027	1,046,704.75	705,000.00	1,751,704.75	2.125% - 5.00%	366,750.76	1,071,750.76
2028	1,047,610.65	735,000.00	1,782,610.65	2.375% - 5.00%	336,331.26	1,071,331.26
2029-2033	4,071,917.79	3,175,000.00	7,246,917.79	2.500% - 5.00%	1,264,143.84	4,439,143.84
2034-2038	2,158,350.32	2,740,000.00	4,898,350.32	2.875% - 5.00%	560,681.26	3,300,681.26
2039-2043	679,521.65	880,000.00	1,559,521.65	5.00%	112,500.00	992,500.00
	<u>\$ 36,903,278.05</u>	<u>\$ 10,335,000.00</u>	47,238,278.05		<u>\$ 3,939,363.40</u>	<u>\$ 14,274,363.40</u>
			(19,975,497.15)	Current Maturities		
			1,113,362.79	Premium on Loans		
			<u>\$ 28,376,143.69</u>	Long-Term Portion		

** The interim loan is expected to be permanently financed before payment is due.

Revenue Loans Authorized But Not Issued

On November 18, 2020, the Authority authorized the issuance of one or more Project Bonds in an amount not to exceed \$19,500,000.00 through the New Jersey Infrastructure Bank Financing Program for the Authority's Energy Savings Improvement Program. On January 7, 2021, the Authority closed on an interim loan as previously noted for \$18,200,000.00, leaving \$1,300,000.00 authorized but not issued.

On May 18, 2022, the Authority authorized the issuance of one or more Project Bonds in an amount not to exceed \$7,000,000.00 through the New Jersey Infrastructure Bank Financing Program for the Authority's Well 5A PFAS project. On November 9, 2022, the Authority closed on an interim loan as previously noted for \$6,561,021.00, leaving \$438,979.00 authorized but not issued.

On October 9, 2022, the Authority authorized the issuance of one or more Project Bonds in an amount not to exceed \$4,000,000.00 through the New Jersey Infrastructure Bank Financing Program for the Authority's tank painting project. No debt has been issued.

Note 5: DETAIL NOTES – DEFERRED INFLOWS OF RESOURCES**Connection Fees**

The Authority receives payments for connection fees when new users connect to the water and/or sewer system. The Authority does not supply the user with supplies or services to make the physical connection and is therefore considered a non-exchange transaction. The Authority recognizes the revenue in the period that the user exercises their right to connect to the system.

Note 5: DETAIL NOTES – DEFERRED INFLOWS OF RESOURCES (CONT'D)**Leases**

The Authority recognizes the revenue equally over the period of the lease agreement.

Note 6: INTERGOVERNMENTAL AGREEMENTS**Major Customers**

The Authority derives a significant portion of its total water service fees from Mount Laurel Township Municipal Utilities Authority (MLTMUA). Since the charges are based upon the flow from the system, the Authority's revenues are subject to large fluctuations from this customer. A comparison of billings is shown below:

<u>Year</u>	<u>MLTMUA Water Billings</u>	<u>Total Water Billings</u>	<u>Percentage</u>
2023	\$ 1,329,364.02	\$ 7,779,242.90	17.09%
2022	1,294,163.16	7,721,350.17	16.76%
2021	1,263,231.92	7,388,771.91	17.10%

Mount Laurel Service Agreement

The Authority, the Mount Laurel Township Municipal Utilities Authority (MLTMUA), and the Evesham Municipal Utilities Authority (EMUA) signed an agreement in September 2019 for the purchase and sale of potable water. The Authority sells bulk water to MLTMUA, which in turn sells a portion to EMUA.

Under the agreement, the Authority must make available 5 million gallons per day and the MLTMUA must purchase a minimum of 270 million gallons per service year. The charge imposed by the Authority is based on its bulk water rate.

The agreement was made for an initial term of fifteen years and can be renewed for three - five year terms after the initial term. Notice must be given at least one year prior to the end of the existing term by any of the principals to the agreement.

Edgewater Park Agreement

The Authority entered into a forty year agreement with Edgewater Park Sewerage Authority on January 18, 2005, in which the Authority agreed to accept for appropriate treatment and disposal through its facilities, the sewage and industrial waste collected in Edgewater Park Township. In exchange, Edgewater Park Sewerage Authority annually pays to the Authority in accordance with the agreement. The agreement expires on December 3, 2045.

Township of Willingboro Service Agreement

A Service Agreement was entered into on June 15, 1990 between the Authority and the Township. Under the Service Agreement, the Township agrees to pay any shortfall the Authority may encounter in making payments for either Operating Expenses and/or Debt Service (Annual Charges).

The purpose of this agreement is to grant temporary relief to the Authority should it experience difficulty in meeting its obligations. The agreement calls for the Township to be reimbursed for any Annual Charges paid by the Township when the Authority's operations permit. Ultimately, all Operating Expenses and Debt Service of the Authority are borne by revenues of the system.

Note 7: COMMITMENTS

The Authority had several outstanding or planned construction projects as of December 31, 2023. These projects are evidenced by contractual commitments with contractors and include:

<u>Project</u>	<u>Awarded</u>	<u>Commitment Remaining</u>
Lining of Windsor Interceptor	\$ 273,005.50	\$ 15,558.50
Well 5A PFOS Treatment System Upgrade	<u>5,310,074.09</u>	<u>88,335.50</u>
	<u>\$ 5,583,079.59</u>	<u>\$ 103,894.00</u>

Note 8: DEFERRED COMPENSATION

The Authority offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Authority or its creditors. Since the Authority does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Authority's financial statements.

Note 9: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded coverage for the past several years.

Note 10: CONTINGENCIES

Litigation - The Authority is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Authority, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 11: SUBSEQUENT EVENTS

The management of the Authority has evaluated its financial statements for subsequent events through the date that the financial statements were issued. On April 26, 2024, Republic First Bank (doing business as Republic Bank) was closed by the Pennsylvania Department of Banking and Securities, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect depositors, the FDIC entered into an agreement with Fulton Bank, National Association of Lancaster, Pennsylvania to assume substantially all of the deposits and purchase substantially all of the assets of Republic Bank. As a result of the acquisition by Fulton bank, the management of the Authority does not expect to incur any losses at this time. As of December 31, 2023, the Authority had deposits on account of \$1,827,650.65.

REQUIRED SUPPLEMENTARY INFORMATION

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Required Supplementary Information
 Schedule of the Authority's Proportionate Share
 of the Net OPEB Liability - State Plan
 Last Seven Plan Years

	Measurement Date Ended June 30,			
	<u>2023</u>	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Authority's Proportion of the Net OPEB Liability		0.063056%	0.065736%	0.066219%
Authority's Proportionate Share of the Net OPEB Liability	Information	\$ 10,183,289.00	\$ 11,832,336.00	\$ 11,884,068.00
Authority's Covered Payroll (Plan Measurement Period)	Not Available	\$ 2,255,313.00	\$ 2,143,734.00	\$ 2,212,574.00
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll		451.52%	551.95%	537.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		-0.36%	0.28%	0.91%
	Measurement Date Ended June 30,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Authority's Proportion of the Net OPEB Liability	0.059912%	0.063729%	0.057188%	
Authority's Proportionate Share of the Net OPEB Liability	\$ 8,115,722.00	\$ 9,984,179.00	\$ 11,675,381.00	
Authority's Covered Payroll (Plan Measurement Period)	\$ 2,065,496.00	\$ 2,126,917.00	\$ 2,114,476.00	
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	392.92%	469.42%	552.16%	
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%	

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Required Supplementary Information
 Schedule of the Authority's OPEB Contributions - State Plan
 Last Seven Years

	<u>Year Ended December 31,</u>			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Authority's Required Contributions		\$ 243,098.28	\$ 249,445.30	\$ 240,698.96
Authority's Contributions in Relation to the Required Contribution	Information	<u>(243,098.28)</u>	<u>(249,445.30)</u>	<u>(240,698.96)</u>
Authority's Contribution Deficiency (Excess)	Not Available	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll (Calendar Year)		\$ 2,230,700.00	\$ 2,164,010.00	\$ 2,207,316.00
Authority's Contributions as a Percentage of Covered Payroll		10.90%	11.53%	10.90%
	<u>Year Ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Authority's Required Contributions	\$ 262,257.23	\$ 460,591.32	\$ 366,770.16	
Authority's Contributions in Relation to the Required Contribution	<u>(262,257.23)</u>	<u>(460,591.32)</u>	<u>(366,770.16)</u>	
Authority's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Authority's Covered Payroll (Calendar Year)	\$ 2,132,595.00	\$ 2,106,716.00	\$ 2,093,872.00	
Authority's Contributions as a Percentage of Covered Payroll	12.30%	21.86%	17.52%	

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Required Supplementary Information
 Schedule of the Authority's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Ten Plan Years

	Measurement Date Ending June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Authority's Proportion of the Net Pension Liability		0.0297941865%	0.0309706238%	0.0293585747%	0.0316241679%
Authority's Proportionate Share of the Net Pension Liability		\$ 4,496,353.00	\$ 3,668,935.00	\$ 4,787,616.00	\$ 5,698,195.00
Authority's Covered Payroll (Plan Measurement Period)	Information Not Available	\$ 2,153,884.00	\$ 2,234,928.00	\$ 2,100,592.00	\$ 2,138,600.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll		208.76%	164.16%	227.92%	266.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		62.91%	70.33%	58.32%	56.27%
	Measurement Date Ending June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's Proportion of the Net Pension Liability	0.0284075155%	0.0313956320%	0.0298245452%	0.0315650763%	0.0308760860%
Authority's Proportionate Share of the Net Pension Liability	\$ 5,593,298.00	\$ 7,308,401.00	\$ 8,833,175.00	\$ 7,085,727.00	\$ 5,780,848.00
Authority's Covered Payroll (Plan Measurement Period)	\$ 1,981,884.00	\$ 2,175,080.00	\$ 2,064,316.00	\$ 2,124,428.00	\$ 2,135,256.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	282.22%	336.01%	427.90%	333.54%	270.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Required Supplementary Information
 Schedule of the Authority's Pension Contributions
 Public Employees' Retirement System (PERS)
 Last Ten Years

	Year Ended December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution		\$ 375,719.00	\$ 362,702.00	\$ 321,168.00	\$ 307,610.00
Contributions in Relation to Contractually Required Contribution	Information	<u>(375,719.00)</u>	<u>(362,702.00)</u>	<u>(321,168.00)</u>	<u>(307,610.00)</u>
Contribution Deficiency (Excess)	Not Available	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll (Calendar Year)		\$ 2,230,700.00	\$ 2,164,010.00	\$ 2,207,316.00	\$ 2,132,595.00
Authority's Contributions as a Percentage of Covered Payroll		16.84%	16.76%	14.55%	14.42%
	Year Ended December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 282,563.00	\$ 290,847.00	\$ 264,957.00	\$ 271,375.00	\$ 254,538.00
Contributions in Relation to Contractually Required Contribution	<u>(282,563.00)</u>	<u>(290,847.00)</u>	<u>(264,957.00)</u>	<u>(271,375.00)</u>	<u>(254,538.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll (Calendar Year)	\$ 2,106,716.00	\$ 2,093,872.00	\$ 2,158,469.00	\$ 2,130,154.00	\$ 2,100,862.00
Authority's Contributions as a Percentage of Covered Payroll	13.41%	13.89%	12.28%	12.74%	12.12%

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Notes to Required Supplementary Information

For the Year Ended December 31, 2023

Note 1: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - AUTHORITY PLAN

As of the date of this report, the information from the Authority's reporting on GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions for the measurement period ended December 31, 2023 was not available. Management has elected to present the information from the measurement period December 31, 2022, even though it is not in compliance with GASBS No. 75.

Changes in Benefit Terms

None

Changes in Assumptions

For 2022, the discount rate changes from 2.05% to 3.65% as of December 31, 2022. The changes also include revised mortality, disability, retirement, and turnover assumptions, along with changes in the valuation discount rate to reflected current market conditions.

For 2021, the discount rate changes from 2.15% to 2.05% as of December 31, 2021. The changes also include revised mortality, disability, retirement, and turnover assumptions, along with changes in the valuation discount rate to reflected current market conditions.

For 2020, the discount rate changes from 4.25% to 2.15% as of December 31, 2020. The changes also include revised mortality, disability, retirement, and turnover assumptions, along with changes in the valuation discount rate to reflected current market conditions.

Note 2: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

As of the date of this report, the information from the New Jersey Division of Pension's reporting on GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions for the measurement period ended June 30, 2023 was not available. Management has elected to present the information from the measurement period June 30, 2022, even though it is not in compliance with GASBS No. 75.

Changes in Benefit Terms

The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Notes to Required Supplementary Information

For the Year Ended December 31, 2023

Note 2: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated experience study.

There were no changes to mortality projections.

Note 3: POSTEMPLOYMENT BENEFITS - PENSION

As of the date of this report, the information from the New Jersey Division of Pension's reporting on GASBS No. 68, Accounting and Financial Reporting for Pensions for the measurement period ended June 30, 2023 was not available. Management has elected to present the information from the measurement period June 30, 2022, even though it is not in compliance with GASBS No. 68.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%
2018	5.66%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

SUPPLEMENTARY SCHEDULES

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
Combining Schedule of Revenue, Expenses and Changes in Net Position
Restricted and Unrestricted Accounts
For the Year Ended December 31, 2023

	Unrestricted		Restricted				Totals
	Operating	General	Bond Reserve	Bond Service	Renewal and Replacement	Unemployment Compensation	
Operating Revenues:							
Service Fees	\$ 12,138,493.65						\$ 12,138,493.65
Intergovernmental Service Agreements	2,458,052.30						2,458,052.30
Connection Fees	2,919,681.50						2,919,681.50
Other Operating Revenues	970,113.35						970,113.35
Total Operating Revenues	18,486,340.80	\$ -	\$ -	\$ -	\$ -	\$ -	18,486,340.80
Operating Expenses:							
Administration:							
Salaries and Wages	779,537.21						779,537.21
Employee Benefits	384,344.40						384,344.40
Other Expenses	1,215,982.12						1,215,982.12
Cost of Providing Service:							
Salaries and Wages	2,315,698.15						2,315,698.15
Employee Benefits	1,306,122.96						1,306,122.96
Other Expenses	3,291,358.50						3,291,358.50
Major Repairs		560,346.94					560,346.94
Depreciation		2,577,590.16					2,577,590.16
Total Operating Expenses	9,293,043.34	3,137,937.10	-	-	-	-	12,430,980.44
Operating Income (Loss)	9,193,297.46	(3,137,937.10)	-	-	-	-	6,055,360.36
Non-operating Revenue (Expenses):							
Investment Income	313,131.37	335,430.22	24,920.93	48,768.94	52,327.59	113,403.12	887,982.17
Net Unemployment Activity						5,764.34	5,764.34
Lease Interest Income		37,968.73					37,968.73
Loss on Disposal of Assets		(442,552.03)					(442,552.03)
Interest Expense		65,604.01		(505,657.24)			(440,053.23)
Contribution to Willingboro Township		(200,000.00)					(200,000.00)
Total Non-operating Revenue (Expenses)	313,131.37	(203,549.07)	24,920.93	(456,888.30)	52,327.59	119,167.46	(150,890.02)
Net Income (Loss) Before Transfers and Contributions	9,506,428.83	(3,341,486.17)	24,920.93	(456,888.30)	52,327.59	119,167.46	5,904,470.34
Contributed Capital		3,452,972.00					3,452,972.00
Transfers	(8,907,133.83)	8,151,082.84	(24,920.93)	456,888.30	447,672.41	(123,588.79)	-
Change in Net Position	599,295.00	8,262,568.67	-	-	500,000.00	(4,421.33)	9,357,442.34
Net Position - Beginning	5,618,250.00	20,328,450.63	564,481.95	-	1,000,000.00	218,677.15	27,729,859.73
Net Position - Ending:							
Net Investment in Capital Assets		\$ 24,705,912.15					\$ 24,705,912.15
Restricted	\$ 6,217,545.00		\$ 564,481.95	\$ -	\$ 1,500,000.00	\$ 214,255.82	\$ 8,496,282.77
Unrestricted		\$ 3,885,107.15					\$ 3,885,107.15

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenues, Expenses and Changes in Fund Net Position by Department
 For the Year Ended December 31, 2023

	<u>Sewer</u>	<u>Water Treatment</u>	<u>Total</u>
Operating Revenues:			
Service Fees	\$ 5,688,614.77	\$ 6,449,878.88	\$ 12,138,493.65
Intergovernmental Service Agreements	1,128,688.28	1,329,364.02	2,458,052.30
Connection Fees	1,550,901.00	1,368,780.50	2,919,681.50
Other Operating Revenues	114,847.99	855,265.36	970,113.35
	<u>8,483,052.04</u>	<u>10,003,288.76</u>	<u>18,486,340.80</u>
Operating Expenses:			
Administration:			
Salaries and Wages	389,768.61	389,768.60	779,537.21
Fringe Benefits	192,172.20	192,172.20	384,344.40
Other Expenses	607,991.09	607,991.03	1,215,982.12
Total Administration	<u>1,189,931.90</u>	<u>1,189,931.83</u>	<u>2,379,863.73</u>
Cost of Providing Service:			
Salaries and Wages	1,010,190.22	1,305,507.93	2,315,698.15
Fringe Benefits	523,180.05	782,942.91	1,306,122.96
Other Expenses	1,737,150.51	1,554,207.99	3,291,358.50
Total Cost of Providing Service	<u>3,270,520.78</u>	<u>3,642,658.83</u>	<u>6,913,179.61</u>
Major Repairs and Other Expenses	543,406.50	16,940.44	560,346.94
Depreciation	1,159,903.26	1,417,686.90	2,577,590.16
Total Operating Expenses	<u>6,163,762.44</u>	<u>6,267,218.00</u>	<u>12,430,980.44</u>
Operating Income	<u>2,319,289.60</u>	<u>3,736,070.76</u>	<u>6,055,360.36</u>
Non-operating Revenue (Expense):			
Investment Income	430,252.90	457,729.27	887,982.17
Net Unemployment Activity	2,882.17	2,882.17	5,764.34
Lease Interest Income		37,968.73	37,968.73
Loss on Disposal of Assets	(60,897.42)	(381,654.61)	(442,552.03)
Interest Expense	(216,968.58)	(223,084.65)	(440,053.23)
Contribution to Willingboro Township	(200,000.00)		(200,000.00)
Total Non-operating Expense	<u>(44,730.93)</u>	<u>(106,159.09)</u>	<u>(150,890.02)</u>
Contributed Capital		3,452,972.00	3,452,972.00
Change in Net Position	2,274,558.67	7,082,883.67	9,357,442.34
Net Position - Beginning	<u>12,419,198.42</u>	<u>15,310,661.31</u>	<u>27,729,859.73</u>
Net Position - Ending	<u>\$ 14,693,757.09</u>	<u>\$ 22,393,544.98</u>	<u>\$ 37,087,302.07</u>
Net Position:			
Net Investment in Capital Assets	\$ 4,616,319.89	\$ 20,089,592.26	\$ 24,705,912.15
Restricted for:			
Bond Resolution Covenants	3,913,088.29	4,368,938.66	8,282,026.95
Unemployment Compensation	107,127.91	107,127.91	214,255.82
Unrestricted (Deficit)	<u>6,057,221.00</u>	<u>(2,172,113.85)</u>	<u>3,885,107.15</u>
	<u>\$ 14,693,757.09</u>	<u>\$ 22,393,544.98</u>	<u>\$ 37,087,302.07</u>

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Cash Receipts and Cash Disbursements
 For the Year Ended December 31, 2023

	Unrestricted		Restricted				Total
	Operating Accounts	General	Bond Reserve	Bond Service	Renewal and Replacement	Other	
Cash, Cash Equivalents and Investments January 1, 2023	\$ 11,333,929.97	\$ 8,697,336.21	\$ 564,482.00	\$ 14,301.80	\$ 1,000,000.57	\$ 4,559,366.02	\$ 26,169,416.57
Receipts:							
Consumer Accounts Receivable	10,854,077.71						10,854,077.71
Intergovernmental Service Agreements Receivable	3,090,224.49						3,090,224.49
Connection Fees	676,854.50						676,854.50
Rent Overpayments	373,221.13						373,221.13
Other Accounts Receivable	277,606.44						277,606.44
Investment Income (Including Unrealized Losses)	326,078.98	331,940.98	24,297.38	46,367.87	49,210.38	114,264.15	892,159.74
Planning Escrow & Performance Bond Deposits						4,853.94	4,853.94
Lease Receipts	103,402.61						103,402.61
Unearned Revenue	1,050,700.23						1,050,700.23
Net Unemployment Activity	5,764.34						5,764.34
Transfers In	3,537,508.24	896,878.56		2,485,361.33	499,999.43	509,302.01	7,929,049.57
Total Cash and Investments Available	31,629,368.64	9,926,155.75	588,779.38	2,546,031.00	1,549,210.38	5,187,786.12	51,427,331.27
Disbursements:							
Budgetary Expenses	9,394,730.30			36,068.41			9,430,798.71
Debt Service Principal				1,366,859.27			1,366,859.27
Debt Service Interest				390,422.92			390,422.92
Construction in Progress	5,040,885.05						5,040,885.05
Cost of Issuance				144,823.00			144,823.00
Capital Accounts Payable & Retainage	419,304.06						419,304.06
Accounts Payable	993,737.92						993,737.92
Planning Escrow & Performance Bond Expenses						80,755.01	80,755.01
Transfers Out	2,499,385.50	2,696,942.81	24,297.38		49,210.38	2,659,213.50	7,929,049.57
Total Disbursements	18,348,042.83	2,696,942.81	24,297.38	1,938,173.60	49,210.38	2,739,968.51	25,796,635.51
Cash, Cash Equivalents and Investments December 31, 2023	\$ 13,281,325.81	\$ 7,229,212.94	\$ 564,482.00	\$ 607,857.40	\$ 1,500,000.00	\$ 2,447,817.61	\$ 25,630,695.76
Analysis of Balance December 31, 2023							
Cash and Cash Equivalents	\$ 13,037,925.81	\$ 7,229,212.94	\$ 564,482.00	\$ 607,857.40	\$ 1,500,000.00	\$ 2,447,817.61	\$ 25,387,295.76
Investments:							
Unsold Solar Renewable Energy Certificates	243,400.00						243,400.00
	\$ 13,281,325.81	\$ 7,229,212.94	\$ 564,482.00	\$ 607,857.40	\$ 1,500,000.00	\$ 2,447,817.61	\$ 25,630,695.76

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Sewer Operations -- Revenues, Operating Appropriations,
 Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis
 For the Year Ended December 31, 2023

	Adopted Budget	Transfers	Modified Budget	Actual	Variance Favorable / (Unfavorable)
Operating Revenues:					
Service Charges:					
Residential	\$ 5,064,800.00		\$ 5,064,800.00	\$ 5,015,181.55	\$ (49,618.45)
Business and Commercial	562,100.00		562,100.00	673,433.22	111,333.22
Intergovernmental	1,084,000.00		1,084,000.00	1,128,688.28	44,688.28
Total Service Charges	6,710,900.00	\$ -	6,710,900.00	6,817,303.05	106,403.05
Connection Fees	1,200,000.00	-	1,200,000.00	1,550,901.00	350,901.00
Other Operating Revenues:					
Other Miscellaneous Revenue	215,000.00	-	215,000.00	114,847.99	(100,152.01)
Total Operating Revenues	8,125,900.00	-	8,125,900.00	8,483,052.04	357,152.04
Non-Operating Revenues:					
Investment Income	15,000.00	-	15,000.00	430,252.90	415,252.90
Total Budget Revenues	8,140,900.00	-	8,140,900.00	8,913,304.94	772,404.94
Operating Appropriations:					
Administration					
Salaries and Wages	585,000.00	(57,260.00)	527,740.00	389,768.61	137,971.39
Employee Benefits:					
Social Security Tax	45,000.00		45,000.00	29,128.17	15,871.83
Unemployment and Disability Insurance	2,200.00	1,376.42	3,576.42	2,667.90	908.52
Public Employees Retirement System	36,000.00	21,860.50	57,860.50	57,860.50	
Health Insurance	192,200.00	(80,899.43)	111,300.57	91,505.50	19,795.07
Dental Insurance	10,550.00		10,550.00	3,835.91	6,714.09
Prescription Plan		7,662.51	7,662.51	6,777.44	885.07
Uniforms	1,200.00		1,200.00	396.78	803.22
Total Employee Benefits	287,150.00	(50,000.00)	237,150.00	192,172.20	44,977.80
Other Expenses:					
Telephone	14,000.00	12,847.65	26,847.65	26,325.55	522.10
Electricity	6,850.00	(6,850.00)			
Gas Heat	1,650.00	(1,650.00)			
Vehicle, Gasoline	2,000.00	(2,000.00)			
Vehicle, Maintenance	750.00	(250.00)	500.00	163.21	336.79
Maintenance of Building and Site	19,500.00	(10,424.15)	9,075.85	4,824.44	4,251.41
Equipment Maintenance	12,000.00	2,730.93	14,730.93	14,622.43	108.50
Insurance	32,250.00	25,000.00	57,250.00	55,973.23	1,276.77
Printing	10,000.00	(1,250.00)	8,750.00	528.79	8,221.21
Postage	25,000.00	6,500.00	31,500.00	30,725.69	774.31
Miscellaneous Supplies and Expenses	49,250.00	73,870.00	123,120.00	97,391.84	25,728.16
Safety Services	2,900.00		2,900.00	963.74	1,936.26
Engineer Fees	100,000.00	(4,392.18)	95,607.82	61,070.63	34,537.19

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Sewer Operations -- Revenues, Operating Appropriations,
 Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis
 For the Year Ended December 31, 2023

	Adopted Budget	Transfers	Modified Budget	Actual	Variance Favorable / (Unfavorable)
Operating Appropriations (Cont'd):					
Administration (Cont'd):					
Other Expenses (Cont'd):					
Legal Fees	\$ 85,000.00	\$ 70,000.00	\$ 155,000.00	\$ 134,384.88	\$ 20,615.12
Information Management	69,000.00	10,000.00	79,000.00	71,598.37	7,401.63
Auditor Fees	37,500.00	31,000.00	68,500.00	63,717.50	4,782.50
Trustee Fees	11,000.00	(5,050.00)	5,950.00	5,000.00	950.00
Consulting Fees	50,000.00	(25,882.24)	24,117.76	22,666.58	1,451.18
NJEIT Admin Fee	13,000.00		13,000.00	18,034.21	(5,034.21)
Total Other Expenses	541,650.00	174,200.01	715,850.01	607,991.09	107,858.92
Total Administration	1,413,800.00	66,940.01	1,480,740.01	1,189,931.90	290,808.11
Cost of Providing Service:					
Salaries and Wages	1,216,000.00	(80,000.00)	1,136,000.00	1,010,190.22	125,809.78
Employee Benefits:					
Social Security Tax	94,000.00		94,000.00	73,654.31	20,345.69
Unemployment and Disability Insurance	5,300.00		5,300.00	5,148.21	151.79
Public Employees Retirement System	120,000.00	4,374.00	124,374.00	120,605.00	3,769.00
Health Insurance	543,300.00	(94,340.92)	448,959.08	289,273.82	159,685.26
Dental Insurance	26,800.00		26,800.00	11,841.19	14,958.81
Prescription Plan		20,851.42	20,851.42	19,543.77	1,307.65
Uniforms	13,200.00	5,000.00	18,200.00	3,113.75	15,086.25
Total Employee Benefits	802,600.00	(64,115.50)	738,484.50	523,180.05	215,304.45
Other Expenses:					
Telephone	26,000.00	(6,900.00)	19,100.00	698.11	18,401.89
Electricity	274,900.00	46,747.28	321,647.28	321,647.28	
Gas Heat	24,500.00	20,429.85	44,929.85	44,929.85	
Vehicles, Gasoline	15,000.00	(5,000.00)	10,000.00	8,159.43	1,840.57
Vehicles, Maintenance	16,100.00	(2,500.00)	13,600.00	13,162.67	437.33
Maintenance of Buildings and Sites	36,300.00		36,300.00	23,436.42	12,863.58
Equipment Maintenance	281,500.00	(5,490.04)	276,009.96	262,927.16	13,082.80
System Maintenance	80,000.00	(65,000.00)	15,000.00	9,788.70	5,211.30
Licensed Operator Services		17,500.00	17,500.00	12,343.75	5,156.25
Insurance	222,700.00	32,812.91	255,512.91	255,512.91	
Miscellaneous Supplies and Expenses	86,000.00	220,050.25	306,050.25	192,216.54	113,833.71
Chemicals	155,900.00	19,600.00	175,500.00	122,681.45	52,818.55
Safety Services	10,900.00	25,650.00	36,550.00	37,628.25	(1,078.25)
Permits and Fees	94,700.00	19,814.96	114,514.96	119,561.51	(5,046.55)
Laboratory Tests and Analyses	44,000.00	37,050.00	81,050.00	68,942.00	12,108.00
Lab Supplies and Expenses	38,000.00	32,200.00	70,200.00	39,359.87	30,840.13
Sludge Disposal Fees	450,000.00	(210,000.00)	240,000.00	204,154.61	35,845.39
Total Other Expenses	1,856,500.00	176,965.21	2,033,465.21	1,737,150.51	296,314.70
Total Cost of Providing Service	3,875,100.00	32,849.71	3,907,949.71	3,270,520.78	637,428.93
Total Principal Payments on Debt in lieu of Depreciation	787,744.00	43,985.66	831,729.66	831,728.93	0.73
Total Operating Appropriations	6,076,644.00	143,775.38	6,220,419.38	5,292,181.61	928,237.77

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Sewer Operations -- Revenues, Operating Appropriations,
 Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis
 For the Year Ended December 31, 2023

	Adopted Budget	Transfers	Modified Budget	Actual	Variance Favorable / (Unfavorable)
Non-Operating Appropriations					
Interest on Debt	\$ 254,856.00	\$ (8,000.00)	\$ 246,856.00	\$ 246,464.16	\$ 391.84
Renewal and Replacement	2,651,400.00		2,651,400.00	543,406.50	2,107,993.50
Municipal Contributions	200,000.00		200,000.00	200,000.00	
Total Non-Operating Appropriations	3,106,256.00	(8,000.00)	3,098,256.00	989,870.66	2,108,385.34
Total Operating, Principal Payments and Non-Operating Appropriations	9,182,900.00	135,775.38	9,318,675.38	6,282,052.27	3,036,623.10
Unreserved Net Position Utilized to Balance Budget	200,000.00	-	200,000.00	200,000.00	-
Net Total Appropriations	8,982,900.00	135,775.38	9,118,675.38	6,082,052.27	3,036,623.10
Excess (Deficit) Revenues over Expenditures	\$ (842,000.00)	\$ (135,775.38)	\$ (977,775.38)	\$ 2,831,252.67	\$ 3,809,028.04
Adjustments to Reconcile to GAAP Basis Change in Net Position:					
Excess Revenues over Expenditures				\$ 2,831,252.67	
Net Position Utilized				(200,000.00)	
Employee Unemployment Compensation Deductions				2,882.17	
Loan Principal				831,728.93	
Depreciation Expense				(1,159,903.26)	
Loss on Disposal of Assets				(60,897.42)	
Amortization of Premium on Loans				29,495.58	
Total GAAP Basis Change in Net Position				\$ 2,274,558.67	

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Water Treatment Operations -- Revenues, Operating Appropriations,
 Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis
 For the Year Ended December 31, 2023

	Adopted Budget	Transfers	Modified Budget	Actual	Variance Favorable / (Unfavorable)
Operating Revenues:					
Service Charges:					
Residential	\$ 5,767,300.00		\$ 5,767,300.00	\$ 5,652,952.79	\$ (114,347.21)
Business and Commercial	649,000.00		649,000.00	796,926.09	147,926.09
Intergovernmental	1,112,400.00		1,112,400.00	1,329,364.02	216,964.02
Total Service Charges	7,528,700.00	\$ -	7,528,700.00	7,779,242.90	250,542.90
Connection Fees	950,000.00	-	950,000.00	1,368,780.50	418,780.50
Other Operating Revenues:					
Fire Hydrants and Fire Service Lines	96,800.00		96,800.00	97,640.00	840.00
Elevated Tank Rentals	310,000.00		310,000.00	154,505.08	(155,494.92)
Turn Off/On Fees	1,000.00		1,000.00		(1,000.00)
Other Miscellaneous Revenue	84,000.00		84,000.00	603,120.28	519,120.28
Total Other Operating Revenues	491,800.00	-	491,800.00	855,265.36	363,465.36
Total Operating Revenues	8,970,500.00	-	8,970,500.00	10,003,288.76	1,032,788.76
Non-Operating Revenues:					
Investment Income	15,000.00	-	15,000.00	457,729.27	442,729.27
Total Budget Revenues	8,985,500.00	-	8,985,500.00	10,461,018.03	1,475,518.03
Operating Appropriations:					
Administration:					
Salaries and Wages	585,000.00	(57,260.00)	527,740.00	389,768.60	137,971.40
Employee Benefits:					
Social Security Tax	45,000.00		45,000.00	29,128.17	15,871.83
Temporary Disability Insurance	2,200.00	1,376.42	3,576.42	2,667.91	908.51
Public Employees Retirement System	36,000.00	21,860.50	57,860.50	57,860.50	
Health Insurance	192,200.00	(80,899.44)	111,300.56	91,505.50	19,795.06
Dental Insurance	10,550.00		10,550.00	3,835.91	6,714.09
Prescription Plan		7,662.52	7,662.52	6,777.44	885.08
Uniforms	1,200.00		1,200.00	396.77	803.23
Total Employee Benefits	287,150.00	(50,000.00)	237,150.00	192,172.20	44,977.80
Other Expenses:					
Telephone	14,000.00	12,847.65	26,847.65	26,325.55	522.10
Electricity	6,850.00	(6,850.00)			
Gas Heat	1,650.00	(1,650.00)			
Vehicle, Gasoline	2,000.00	(2,000.00)			
Vehicle, Maintenance	750.00	(250.00)	500.00	163.20	336.80
Maintenance of Building and Site	19,500.00	(10,424.15)	9,075.85	4,824.44	4,251.41
Equipment Maintenance	12,000.00	2,730.93	14,730.93	14,622.43	108.50
Insurance	32,250.00	25,000.00	57,250.00	55,973.22	1,276.78
Printing	10,000.00	(1,250.00)	8,750.00	528.78	8,221.22
Postage	25,000.00	6,500.00	31,500.00	30,725.69	774.31
Miscellaneous Supplies and Expenses	49,250.00	73,870.00	123,120.00	97,391.84	25,728.16
Safety Services	2,900.00		2,900.00	963.74	1,936.26
Engineer Fees	100,000.00	(4,392.18)	95,607.82	61,070.63	34,537.19

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Water Treatment Operations -- Revenues, Operating Appropriations,
 Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis
 For the Year Ended December 31, 2023

	Adopted Budget	Transfers	Modified Budget	Actual	Variance Favorable / (Unfavorable)
Operating Appropriations (Cont'd):					
Administration (Cont'd):					
Other Expenses (Cont'd):					
Legal Fees	\$ 85,000.00	\$ 70,000.00	\$ 155,000.00	\$ 134,384.88	\$ 20,615.12
Information Management	69,000.00	10,000.00	79,000.00	71,598.36	7,401.64
Auditor Fees	37,500.00	31,000.00	68,500.00	63,717.50	4,782.50
Trustee Fees	11,000.00	(5,050.00)	5,950.00	5,000.00	950.00
Consulting Fees	50,000.00	(25,882.25)	24,117.75	22,666.57	1,451.18
NJEIT Admin Fee	13,000.00		13,000.00	18,034.20	(5,034.20)
Total Other Expenses	541,650.00	174,200.00	715,850.00	607,991.03	107,858.97
Total Administration	1,413,800.00	66,940.00	1,480,740.00	1,189,931.83	290,808.17
Cost of Providing Service:					
Salaries and Wages	1,410,000.00	-	1,410,000.00	1,305,507.93	104,492.07
Employee Benefits:					
Social Security Tax	108,000.00		108,000.00	93,420.88	14,579.12
Temporary Disability Insurance	6,000.00		6,000.00	5,275.44	724.56
Public Employees Retirement System	208,000.00	(16,759.44)	191,240.56	139,393.00	51,847.56
Health Insurance	725,100.00	(83,504.69)	641,595.31	472,957.39	168,637.92
Dental Insurance	39,000.00	2,906.79	41,906.79	22,544.18	19,362.61
Prescription Plan		37,158.84	37,158.84	34,639.34	2,519.50
Uniforms	17,000.00		17,000.00	14,712.68	2,287.32
Total Employee Benefits	1,103,100.00	(60,198.50)	1,042,901.50	782,942.91	259,958.59
Other Expenses:					
Telephone	36,000.00	(2,500.00)	33,500.00	23,187.86	10,312.14
Electricity	532,400.00	(121,878.41)	410,521.59	239,447.02	171,074.57
Gas Heat	24,500.00	16,500.00	41,000.00	33,249.40	7,750.60
Vehicles, Gasoline	41,000.00	13,358.06	54,358.06	37,922.91	16,435.15
Vehicles, Maintenance	30,400.00		30,400.00	7,038.08	23,361.92
Maintenance of Buildings and Sites	45,500.00	(25,000.00)	20,500.00	12,940.00	7,560.00
Equipment Maintenance	260,000.00	1,474.46	261,474.46	229,544.90	31,929.56
Insurance	298,800.00	43,855.92	342,655.92	342,655.92	
System Maintenance	80,000.00	(30,000.00)	50,000.00	7,880.00	42,120.00
Miscellaneous Supplies and Expenses	120,000.00	107,500.00	227,500.00	150,136.35	77,363.65
Safety Services	10,100.00	14,500.00	24,600.00	13,759.19	10,840.81
Chemicals	367,000.00		367,000.00	341,610.66	25,389.34
Laboratory Tests and Analyses	125,000.00	(25,000.00)	100,000.00	72,610.59	27,389.41
Permits and Fees	50,000.00	224.76	50,224.76	42,225.11	7,999.65
Total Other Expenses	2,020,700.00	(6,965.21)	2,013,734.79	1,554,207.99	459,526.80
Total Cost of Providing Service	4,533,800.00	(67,163.71)	4,466,636.29	3,642,658.83	823,977.46
Total Principal Payments on Debt in lieu of Depreciation	559,500.00	(24,369.66)	535,130.34	535,130.34	-
Total Operating Appropriations	6,507,100.00	(24,593.37)	6,482,506.63	5,367,721.00	1,114,785.63
Non-Operating Appropriations					
Interest on Debt	263,300.00	(111,182.00)	152,118.00	259,193.08	(107,075.08)
Renewal and Replacement	1,215,100.00		1,215,100.00	16,940.44	1,198,159.56
Total Non-Operating Appropriations	1,478,400.00	(111,182.00)	1,367,218.00	276,133.52	1,091,084.48

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Water Treatment Operations -- Revenues, Operating Appropriations,
 Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis
 For the Year Ended December 31, 2023

	Adopted <u>Budget</u>	<u>Transfers</u>	Modified <u>Budget</u>	<u>Actual</u>	Variance Favorable / (Unfavorable)
Total Operating, Principal Payments and Non-Operating Appropriations	\$ 7,985,500.00	\$ (135,775.38)	\$ 7,849,724.63	\$ 5,643,854.52	\$ 2,205,870.11
Excess Revenues over Expenditures	<u>\$ 1,000,000.00</u>	<u>\$ 135,775.38</u>	<u>\$ 1,135,775.38</u>	<u>\$ 4,817,163.51</u>	<u>\$ 3,681,388.14</u>
Adjustments to Reconcile to GAAP Basis Change in Net Position:					
Excess Revenues Over Expenditures				\$ 4,817,163.51	
Employee Unemployment Compensation Deductions				2,882.17	
Loan Principal				535,130.34	
Capital Contributions				3,452,972.00	
Lease Interest Income				37,968.73	
Depreciation Expense				(1,417,686.90)	
Loss on Disposal of Assets				(381,654.61)	
Amortization of Premium on Loans				<u>36,108.43</u>	
Total GAAP Basis Change in Net Position				<u>\$ 7,082,883.67</u>	

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
Schedules of Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget by Department--Budgetary Basis
For the Year Ended December 31, 2023

Reconciliation to Operating Income

Revenues Over Expenses and Other Costs		
Schedule 4 - Sewer Department	\$ 2,831,252.67	
Schedule 5 - Water Department	<u>4,817,163.51</u>	
		\$ 7,648,416.18
Add:		
Debt Service Principal Payments	1,366,859.27	
Interest on Debt	505,657.24	
Contribution to Willingboro Township Per N.J.S.A. 40A:5A-1	<u>200,000.00</u>	
		<u>2,072,516.51</u>
		9,720,932.69
Less:		
Investment Income	887,982.17	
Net Position Utilized	200,000.00	
Depreciation	<u>2,577,590.16</u>	
		<u>3,665,572.33</u>
Operating Income (Exhibit B)		<u><u>\$ 6,055,360.36</u></u>

Reconciliation of Actual Expenditures

Cash Disbursements	\$ 9,430,798.71
Accounts Payable	498,521.48
Accrued Wages	165,595.96
Change in Inventory	(45,452.99)
Change in Compensated Absences Payable	3,927.12
Debt Principal	1,366,859.27
Debt Interest	<u>505,657.24</u>
Total Sewer and Water Budgetary Appropriations	<u><u>\$ 11,925,906.79</u></u>

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Analysis of Consumer Accounts Receivable
 For the Year Ended December 31, 2023

	<u>Sewer Department</u>	<u>Water Treatment Department</u>	<u>Total</u>
Balance Jan. 1, 2023	\$ 2,194,948.39	\$ 2,393,296.71	\$ 4,588,245.10
Increased by:			
Service Fees	5,688,614.77	6,449,878.88	12,138,493.65
Interest and Miscellaneous Fees	9,664.86	538,730.74	548,395.60
Fire Hydrants and Fire Service Liens		97,640.00	97,640.00
	<u>7,893,228.02</u>	<u>9,479,546.33</u>	<u>17,372,774.35</u>
Decreased by:			
Collections	4,992,376.41	5,861,701.30	10,854,077.71
Unearned Revenue Realized	434,132.82	499,632.67	933,765.49
Overpayments Applied	9,896.84	201,887.87	211,784.71
	<u>5,436,406.07</u>	<u>6,563,221.84</u>	<u>11,999,627.91</u>
Balance Dec. 31, 2023	<u>\$ 2,456,821.95</u>	<u>\$ 2,916,324.49</u>	<u>\$ 5,373,146.44</u>

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Schedule of Investment Income Receivable

For the Year Ended December 31, 2023

	Balance <u>Jan. 1, 2023</u>	Investment Income <u>Earned</u>	Investment Income <u>Collected</u>	Balance <u>Dec. 31, 2023</u>
Unrestricted Earnings:				
Operating Accounts	\$ 16,899.14	\$ 312,270.34	\$ 326,078.98	\$ 3,090.50
General Fund	25,398.54	335,430.22	331,940.98	28,887.78
	<u>42,297.68</u>	<u>647,700.56</u>	<u>658,019.96</u>	<u>31,978.28</u>
Restricted Earnings:				
Bond Reserve Fund	1,648.57	24,920.93	24,297.38	2,272.12
Bond Service Fund	41.42	48,768.94	46,367.87	2,442.49
Renewal and Replacement Fund	2,920.49	52,327.59	49,210.38	6,037.70
Other		114,264.15	114,264.15	
	<u>4,610.48</u>	<u>240,281.61</u>	<u>234,139.78</u>	<u>10,752.31</u>
	<u>\$ 46,908.16</u>	<u>\$ 887,982.17</u>	<u>\$ 892,159.74</u>	<u>\$ 42,730.59</u>
Sewer Department	\$ 23,178.01	\$ 430,252.90	\$ 432,905.57	\$ 20,525.34
Water Treatment Department	23,730.15	457,729.27	459,254.17	22,205.25
	<u>\$ 46,908.16</u>	<u>\$ 887,982.17</u>	<u>\$ 892,159.74</u>	<u>\$ 42,730.59</u>

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Analysis of Capital Assets
For the Year Ended December 31, 2023

	Balance Jan. 1, 2023	Additions	Deletions	Balance Dec. 31, 2023
Sewer Department:				
Plant:				
Buildings	\$ 14,791,488.46	\$ 43,760.00		\$ 14,835,248.46
Major Moveable Equipment	566,336.75	26,592.50		592,929.25
Vehicles	595,128.68			595,128.68
Infrastructure	27,417,415.76	155,323.56		27,572,739.32
	43,370,369.65	225,676.06	\$ -	43,596,045.71
Administration:				
Buildings	171,781.23			171,781.23
Major Moveable Equipment	135,432.91		(4,457.42)	130,975.49
	307,214.14	-	(4,457.42)	302,756.72
Land:				
Plant	578,000.00			578,000.00
Administration	30,000.00			30,000.00
	608,000.00	-	-	608,000.00
	44,285,583.79	225,676.06	(4,457.42)	44,506,802.43
Less Depreciation	28,259,251.30	1,159,903.26	(4,457.42)	29,414,697.14
	\$ 16,026,332.49	\$ (934,227.20)	\$ -	\$ 15,092,105.29

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Analysis of Capital Assets
For the Year Ended December 31, 2023

	Balance Jan. 1, 2023	Additions	Deletions	Balance Dec. 31, 2023
Water Treatment Department:				
Plant:				
Buildings	\$ 20,071,882.67			\$ 20,071,882.67
Major Moveable Equipment	675,473.39	\$ 141,682.67		817,156.06
Vehicles	1,045,772.72			1,045,772.72
Infrastructure	27,565,730.98	8,190,229.73	\$ (702,811.84)	35,053,148.87
	<u>49,358,859.76</u>	<u>8,331,912.40</u>	<u>(702,811.84)</u>	<u>56,987,960.32</u>
Administration:				
Buildings	171,781.23			171,781.23
Major Moveable Equipment	135,432.92		(4,457.41)	130,975.51
	<u>307,214.15</u>	<u>-</u>	<u>(4,457.41)</u>	<u>302,756.74</u>
Land:				
Plant	892,698.44			892,698.44
Administration	30,000.00			30,000.00
	<u>922,698.44</u>	<u>-</u>	<u>-</u>	<u>922,698.44</u>
	50,588,772.35	8,331,912.40	(707,269.25)	58,213,415.50
Less Depreciation	<u>30,175,067.99</u>	<u>1,417,686.90</u>	<u>(386,512.07)</u>	<u>31,206,242.82</u>
	<u>\$ 20,413,704.36</u>	<u>\$ 6,914,225.50</u>	<u>\$ (320,757.18)</u>	<u>\$ 27,007,172.68</u>
Recap:				
Capital Assets	\$ 94,874,356.14	\$ 8,557,588.46	\$ (711,726.67)	\$ 102,720,217.93
Less Depreciation	<u>58,434,319.29</u>	<u>2,577,590.16</u>	<u>(390,969.49)</u>	<u>60,620,939.96</u>
	<u>\$ 36,440,036.85</u>	<u>\$ 5,979,998.30</u>	<u>\$ (320,757.18)</u>	<u>\$ 42,099,277.97</u>
Transferred from Construction in Progress		<u>\$ 8,557,588.46</u>		

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Analysis of Construction in Progress
For the Year Ended December 31, 2023

Balance Jan. 1, 2023		\$ 15,410,692.50
Add:		
Disbursed	\$ 5,040,885.05	
Retainage Payable	27,772.22	
Accounts Payable	<u>183,137.98</u>	
		<u>5,251,795.25</u>
		20,662,487.75
Less:		
Transferred to Completed	8,557,588.46	
Discontinued Projects	<u>121,794.85</u>	
		<u>8,679,383.31</u>
Balance Dec. 31, 2023		<u>\$ 11,983,104.44</u>

Schedule 10**WILLINGBORO MUNICIPAL UTILITIES AUTHORITY**

Analysis of Accrued Interest Payable
For the Year Ended December 31, 2023

	<u>Sewer</u>	<u>Water Treatment</u>	<u>Total</u>
Balance Jan. 1, 2023	\$ 42,188.22	\$ 35,724.34	\$ 77,912.56
Increased by:			
Accrued	<u>246,464.16</u>	<u>259,193.08</u>	<u>505,657.24</u>
	288,652.38	294,917.42	583,569.80
Decreased by:			
Cash Disbursed	<u>195,252.01</u>	<u>195,170.91</u>	<u>390,422.92</u>
Balance Dec. 31, 2023	<u>\$ 93,400.37</u>	<u>\$ 99,746.51</u>	<u>\$ 193,146.88</u>
Analysis of Interest Expense:			
Accrued	\$ 246,464.16	\$ 259,193.08	\$ 505,657.24
Premium on Bonds & Loans	<u>(29,495.58)</u>	<u>(36,108.43)</u>	<u>(65,604.01)</u>
Total Interest Expense	<u>\$ 216,968.58</u>	<u>\$ 223,084.65</u>	<u>\$ 440,053.23</u>

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Loans Payable
 For the Year Ended December 31, 2023

Purpose	Original		Interest Rate	Maturities		Balance Jan. 1, 2023	Increased	Decreased	Balance Dec. 31, 2023				
	Date	Amount		Date	Amount								
New Jersey Environmental Infrastructure Trust Loan, Series 2008 (Non-Interest Bearing)	11-9-08	\$ 2,198,000.00	N/A	2-1-2024	\$ 12,226.86								
				8-1-2024	99,777.25								
				2-1-2025	10,038.10								
				8-1-2025	103,626.45								
				2-1-2026	7,698.39								
				8-1-2026	104,305.72								
				2-1-2027	5,283.21								
				8-1-2027	107,928.50								
				2-1-2028	2,717.08								
				8-1-2028	111,400.53								
					<u>565,002.09</u>					\$ 678,636.45		\$ (113,634.36)	\$ 565,002.09
				New Jersey Environmental Infrastructure Trust Loan, Series 2008 (Interest Bearing)	11-9-08					2,230,000.00	5.50%	9-1-2024	145,000.00
5.50%	9-1-2025	155,000.00											
5.00%	9-1-2026	160,000.00											
5.00%	9-1-2027	170,000.00											
5.00%	9-1-2028	180,000.00											
	<u>810,000.00</u>	950,000.00		(140,000.00)	810,000.00								
New Jersey Environmental Infrastructure Trust Loan, Series 2010 Clean Water (Non-Interest Bearing)	3-10-10	1,753,612.00	N/A	2-1-2024	31,314.50								
				8-1-2024	62,629.00								
				2-1-2025	31,314.50								
				8-1-2025	62,629.00								
				2-1-2026	31,314.50								
				8-1-2026	62,629.00								
				2-1-2027	31,314.50								
				8-1-2027	62,629.00								
				2-1-2028	31,314.50								
				8-1-2028	62,629.00								
				2-1-2029	31,314.50								
				8-1-2029	62,629.00								
					<u>563,661.00</u>					657,604.50		(93,943.50)	563,661.00
New Jersey Environmental Infrastructure Trust Loan, Series 2010 Clean Water (Interest Bearing)	3-10-10	1,785,000.00	2.00%	8-1-2024	110,000.00								
				2.00%	8-1-2025					60,000.00			
					<u>170,000.00</u>					275,000.00		(105,000.00)	170,000.00

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Loans Payable
 For the Year Ended December 31, 2023

Purpose	Original		Interest Rate	Maturities		Balance Jan. 1, 2023	Increased	Decreased	Balance Dec. 31, 2023
	Date	Amount		Date	Amount				
New Jersey Environmental Infrastructure Trust Loan, Series 2010 Drinking Water (Non-Interest Bearing)	3-10-10	\$ 619,370.00	N/A	2-1-2024	\$ 11,060.17				
				8-1-2024	22,120.35				
				2-1-2025	11,060.17				
				8-1-2025	22,120.35				
				2-1-2026	11,060.17				
				8-1-2026	22,120.35				
				2-1-2027	11,060.17				
				8-1-2027	22,120.35				
				2-1-2028	11,060.17				
				8-1-2028	22,120.35				
				2-1-2029	11,060.17				
				8-1-2029	22,120.64				
New Jersey Environmental Infrastructure Trust Loan, Series 2010 Drinking Water (Interest Bearing)	3-10-10	630,000.00	2.00%	8-1-2024	5,000.00	40,000.00		(35,000.00)	5,000.00
New Jersey Environmental Infrastructure Trust Loan, Series 2014 Clean Water (Non-Interest Bearing)	5-21-14	2,365,598.00	N/A	2-1-2024	40,094.88				
				8-1-2024	80,189.76				
				2-1-2025	40,094.88				
				8-1-2025	80,189.76				
				2-1-2026	40,094.88				
				8-1-2026	80,189.76				
				2-1-2027	40,094.88				
				8-1-2027	80,189.76				
				2-1-2028	40,094.88				
				8-1-2028	80,189.76				
				2-1-2029	40,094.88				
				8-1-2029	80,189.76				
				2-1-2030	40,094.88				
				8-1-2030	80,189.76				
				2-1-2031	40,094.88				
				8-1-2031	80,189.76				
				2-1-2032	40,094.88				
				8-1-2032	80,189.76				
2-1-2033	40,094.88								
8-1-2033	80,189.84								
				<u>1,202,846.48</u>	1,323,131.12		(120,284.64)	1,202,846.48	

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Loans Payable
 For the Year Ended December 31, 2023

Purpose	Original		Interest Rate	Maturities		Balance Jan. 1, 2023	Increased	Decreased	Balance Dec. 31, 2023
	Date	Amount		Date	Amount				
New Jersey Environmental Infrastructure Trust Loan, Series 2014 Clean Water (Interest Bearing)	5-21-14	\$ 770,000.00	5.00%	8-1-2024	\$ 40,000.00	\$ 520,000.00			\$ 480,000.00
			3.00%	8-1-2025	45,000.00				
			3.00%	8-1-2026	45,000.00				
			3.00%	8-1-2027	45,000.00				
			3.00%	8-1-2028	45,000.00				
			3.00%	8-1-2029	50,000.00				
			3.00%	8-1-2030	50,000.00				
			3.00%	8-1-2031	50,000.00				
			3.125%	8-1-2032	55,000.00				
			3.25%	8-1-2033	55,000.00				
New Jersey Environmental Infrastructure Trust Loan, Series 2014 Drinking Water (Non-Interest Bearing)	5-21-14	876,888.00	N/A	2-1-2024	14,862.50	475,032.91			430,445.40
				8-1-2024	29,725.01				
				2-1-2025	14,862.50				
				8-1-2025	29,725.01				
				2-1-2026	14,862.50				
				8-1-2026	29,725.01				
				2-1-2027	14,862.50				
				8-1-2027	29,725.01				
				2-1-2028	14,862.50				
				8-1-2028	29,725.01				
				2-1-2029	14,862.50				
				8-1-2029	29,725.01				
				2-1-2030	14,862.50				
				8-1-2030	29,725.01				
				2-1-2031	14,862.50				
				8-1-2031	29,725.01				
				2-1-2032	14,862.50				
				8-1-2032	29,725.01				
2-1-2033	14,862.50								
8-1-2033	14,295.31								
				<u>430,445.40</u>					

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Loans Payable
 For the Year Ended December 31, 2023

Purpose	Original		Interest Rate	Maturities		Balance Jan. 1, 2023	Increased	Decreased	Balance Dec. 31, 2023
	Date	Amount		Date	Amount				
New Jersey Environmental Infrastructure Trust Loan, Series 2014 Drinking Water (Interest Bearing)	5-21-14	\$ 285,000.00	5.00%	8-1-2024	\$ 15,000.00	\$ 190,000.00		\$ (15,000.00)	\$ 175,000.00
			3.00%	8-1-2025	15,000.00				
			3.00%	8-1-2026	15,000.00				
			3.00%	8-1-2027	15,000.00				
			3.00%	8-1-2028	15,000.00				
			3.00%	8-1-2029	20,000.00				
			3.00%	8-1-2030	20,000.00				
			3.00%	8-1-2031	20,000.00				
			3.125%	8-1-2032	20,000.00				
			3.25%	8-1-2033	20,000.00				
New Jersey Environmental Infrastructure Trust Loan, Series 2015 Clean Water (Non-Interest Bearing)	5-28-15	1,176,180.00	N/A	2-1-2024	19,935.25	586,241.25		(59,805.75)	526,435.50
				8-1-2024	39,870.50				
				2-1-2025	19,935.25				
				8-1-2025	39,870.50				
				2-1-2026	19,935.25				
				8-1-2026	39,870.50				
				2-1-2027	19,935.25				
				8-1-2027	39,870.50				
				2-1-2028	19,935.25				
				8-1-2028	39,870.50				
				2-1-2029	19,935.25				
				8-1-2029	39,870.50				
				2-1-2030	19,935.25				
				8-1-2030	39,870.50				
				2-1-2031	19,935.25				
				8-1-2031	39,870.50				
				2-1-2032	19,935.25				
8-1-2032	28,054.25								
				<u>526,435.50</u>					

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Loans Payable
 For the Year Ended December 31, 2023

Purpose	Original		Interest Rate	Maturities		Balance Jan. 1, 2023	Increased	Decreased	Balance Dec. 31, 2023						
	Date	Amount		Date	Amount										
New Jersey Environmental Infrastructure Trust Loan, Series 2015 Clean Water (Interest Bearing)	5-28-15	\$ 490,000.00	5.00%	8-1-2024	\$ 25,000.00	\$ 360,000.00		\$ (25,000.00)	\$ 335,000.00						
			5.00%	8-1-2025	25,000.00										
			5.00%	8-1-2026	25,000.00										
			4.00%	8-1-2027	30,000.00										
			4.00%	8-1-2028	30,000.00										
			4.00%	8-1-2029	30,000.00										
			4.00%	8-1-2030	30,000.00										
			4.00%	8-1-2031	35,000.00										
			4.00%	8-1-2032	35,000.00										
			4.00%	8-1-2033	35,000.00										
			4.00%	8-1-2034	35,000.00										
											<u>335,000.00</u>				
			New Jersey Environmental Infrastructure Trust Loan, Series 2015 Drinking Water (Non-Interest Bearing)	5-28-15	695,657.00					N/A	2-1-2024	11,790.79	424,468.75		(35,372.38)
8-1-2024	23,581.59														
2-1-2025	11,790.79														
8-1-2025	23,581.59														
2-1-2026	11,790.79														
8-1-2026	23,581.59														
2-1-2027	11,790.79														
8-1-2027	23,581.59														
2-1-2028	11,790.79														
8-1-2028	23,581.59														
2-1-2029	11,790.79														
8-1-2029	23,581.59														
2-1-2030	11,790.79														
8-1-2030	23,581.59														
2-1-2031	11,790.79														
8-1-2031	23,581.59														
2-1-2032	11,790.79														
8-1-2032	23,581.59														
2-1-2033	11,790.79														
8-1-2033	23,581.59														
2-1-2034	11,790.79														
8-1-2034	23,581.78														
				<u>389,096.37</u>											

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Loans Payable
 For the Year Ended December 31, 2023

Purpose	Original		Interest Rate	Maturities		Balance Jan. 1, 2023	Increased	Decreased	Balance Dec. 31, 2023		
	Date	Amount		Date	Amount						
New Jersey Environmental Infrastructure Trust Loan, Series 2015 Drinking Water (Interest Bearing)	5-28-15	\$ 290,000.00	5.00%	8-1-2024	\$ 15,000.00						
			5.00%	8-1-2025	15,000.00						
			5.00%	8-1-2026	15,000.00						
			4.00%	8-1-2027	15,000.00						
			4.00%	8-1-2028	15,000.00						
			4.00%	8-1-2029	20,000.00						
			4.00%	8-1-2030	20,000.00						
			4.00%	8-1-2031	20,000.00						
			4.00%	8-1-2032	20,000.00						
			4.00%	8-1-2033	20,000.00						
			4.00%	8-1-2034	20,000.00						
								195,000.00	\$ 210,000.00	\$ (15,000.00)	\$ 195,000.00
			New Jersey Environmental Infrastructure Trust Loan, Series 2017A-2 Drinking Water (Interest Bearing)	11-21-17	2,115,000.00	5.00%	8-1-2024	95,000.00			
5.00%	8-1-2025	100,000.00									
5.00%	8-1-2026	105,000.00									
2.125%	8-1-2027	110,000.00									
2.375%	8-1-2028	115,000.00									
2.500%	8-1-2029	115,000.00									
2.625%	8-1-2030	120,000.00									
2.750%	8-1-2031	125,000.00									
2.750%	8-1-2032	125,000.00									
2.875%	8-1-2033	130,000.00									
2.875%	8-1-2034	135,000.00									
3.00%	8-2-2035	135,000.00									
3.00%	8-3-2036	140,000.00									
3.00%	8-3-2037	145,000.00									
					1,695,000.00	1,785,000.00	(90,000.00)	1,695,000.00			

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Loans Payable
 For the Year Ended December 31, 2023

Purpose	Original		Interest Rate	Maturities		Balance Jan. 1, 2023	Increased	Decreased	Balance Dec. 31, 2023
	Date	Amount		Date	Amount				
New Jersey Environmental Infrastructure Trust Loan, Series 2017A-2 Drinking Water (Non-Interest Bearing)	11-21-17	\$ 2,173,449.00	N/A	2-1-2024	\$ 36,838.11				
				8-1-2024	73,676.23				
				2-1-2025	36,838.11				
				8-1-2025	73,676.23				
				2-1-2026	36,838.11				
				8-1-2026	73,676.23				
				2-1-2027	36,838.11				
				8-1-2027	73,676.23				
				2-1-2028	36,838.11				
				8-1-2028	73,676.23				
				2-1-2029	36,838.11				
				8-1-2029	73,676.23				
				2-1-2030	36,838.11				
				8-1-2030	73,676.23				
				2-1-2031	36,838.11				
				8-1-2031	73,676.23				
				2-1-2032	36,838.11				
				8-1-2032	73,676.23				
				2-1-2033	36,838.11				
				8-1-2033	73,676.23				
				2-1-2034	36,838.11				
				8-1-2034	73,676.23				
				2-1-2035	36,838.11				
8-1-2035	62,527.22								
					<u>1,315,023.07</u>	\$ 1,425,537.41		\$ (110,514.34)	\$ 1,315,023.07

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Loans Payable
 For the Year Ended December 31, 2023

Purpose	Original		Interest Rate	Maturities		Balance Jan. 1, 2023	Increased	Decreased	Balance Dec. 31, 2023
	Date	Amount		Date	Amount				
New Jersey Infrastructure Bank Trust Loan, Series 2022A-2 Drinking Water (Interest Bearing)	12-22-22	\$ 6,470,000.00	5.00%	8-1-2024	\$ 280,000.00				
			5.00%	8-1-2025	285,000.00				
			5.00%	8-1-2026	305,000.00				
			5.00%	8-1-2027	320,000.00				
			5.00%	8-1-2028	335,000.00				
			5.00%	8-1-2029	350,000.00				
			5.00%	8-1-2030	365,000.00				
			5.00%	8-1-2031	390,000.00				
			5.00%	8-1-2032	405,000.00				
			5.00%	8-1-2033	425,000.00				
			5.00%	8-1-2034	450,000.00				
			5.00%	8-1-2035	470,000.00				
			5.00%	8-1-2036	495,000.00				
			5.00%	8-1-2037	520,000.00				
			5.00%	8-1-2038	195,000.00				
			5.00%	8-1-2039	205,000.00				
			5.00%	8-1-2040	215,000.00				
		5.00%	8-1-2041	225,000.00					
		5.00%	8-1-2042	235,000.00					
					<u>6,470,000.00</u>	\$ 6,470,000.00			\$ 6,470,000.00

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Loans Payable
 For the Year Ended December 31, 2023

Purpose	Original		Interest Rate	Maturities		Balance Jan. 1, 2023	Increased	Decreased	Balance Dec. 31, 2023
	Date	Amount		Date	Amount				
New Jersey I-Bank Interim Loan	1-7-21	\$ 18,200,000.00	Various			\$ 18,200,000.00		\$ (18,200,000.00)	
New Jersey I-Bank Interim Loan	1-7-23	18,200,000.00	Various	1-7-2024	\$ 18,200,000.00		\$ 18,200,000.00		\$ 18,200,000.00
New Jersey I-Bank Interim Loan	11-9-22	6,561,021.00	Various	11-9-2024	6,561,021.00	6,561,021.00			6,561,021.00
Premium on Loans - Amortized						48,605,137.32	18,200,000.00	(19,566,859.27)	47,238,278.05
						1,178,966.80		(65,604.01)	1,113,362.79
						<u>\$ 49,784,104.12</u>	<u>\$ 18,200,000.00</u>	<u>\$ (19,632,463.28)</u>	<u>\$ 48,351,640.84</u>
Renewal							\$ 18,200,000.00	\$ (18,200,000.00)	
Disbursed								(1,366,859.27)	
Premium on Loans								(65,604.01)	
							<u>\$ 18,200,000.00</u>	<u>\$ (19,632,463.28)</u>	

**WILLINGBORO MUNICIPAL UTILITIES
AUTHORITY**

PART II

SINGLE AUDIT SECTION

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

**REPORT ON COMPLIANCE FOR ITS MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

The Chairperson and Members of
The Willingboro Municipal Utilities Authority
Willingboro, New Jersey

Report on Compliance for Its Major Federal Program

Opinion on Its Major Federal Program

We have audited the Willingboro Municipal Utilities Authority's (the Authority), in the County of Burlington, State of New Jersey, a component unit of the Township of Willingboro, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2023. The Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Willingboro Municipal Utilities Authority, in the County of Burlington, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on Its Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards, the Uniform Guidance, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Bureau of Authority Regulation, Department of Community Affairs, State of New Jersey; Uniform Guidance; will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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Report on Internal Control Over Compliance (Cont'd)

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
May 2, 2024

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2023

<u>Federal Grantor/ Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Additional Award Identification</u>	<u>Federal FAIN Number</u>	<u>Pass-through Entity ID Number</u>	<u>Program or Award Amount</u>	<u>Grant Period From To</u>
U.S. Department of Environmental Protection Congressionally Mandated	66.202	N/A	N/A	N/A	\$ 3,452,972.00	Open
Passed through the State Department of Environmental Protection Capitalization Grants for Drinking Water State Revolving Funds Infrastructure Bank Trust	66.468	N/A	N/A	S0338001-010	3,780,510.50	Open
Capitalization Grants for Clean Water State Revolving Funds Infrastructure Bank Trust	66.458	N/A	N/A	S340132-10	9,100,000.00	Open

The accompanying Notes to Financial Statements and Notes to Schedule of Expenditure of Federal Awards are an integral part of this schedule.

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2023

Receivable December 31, 2022		Revenue Recognized	Cash Receipts	Passed- Through to Subrecipients	Adjustments	Disbursements or Expenditures	Receivable December 31, 2023	
Unreimbursed Expenditures	Project Funds Balance						Unreimbursed Expenditures	Project Funds Balance
\$ -	\$ -	\$ 3,452,972.00	\$ -	\$ -	\$ -	\$ 3,452,972.00	\$ 3,452,972.00	\$ -
1,345,562.98	2,369,986.52	-	-	-	-	346,557.94	1,692,120.92	2,023,428.58
-	7,458,123.50	-	-	-	-	-	-	7,458,123.50
<u>\$ 1,345,562.98</u>	<u>\$ 9,828,110.02</u>	<u>\$ 3,452,972.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,799,529.94</u>	<u>\$ 5,145,092.92</u>	<u>\$ 9,481,552.08</u>

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") include federal award activity of the Willingboro Municipal Utilities Authority (hereafter referred to as the "Authority") under programs of the federal government for the year ended December 31, 2023. The Authority is defined in note 1 to the Authority's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as federal financial assistance passed through other government agencies, are included on this schedule. Because this schedule presents only a selected portion of the operations of the Authority, they are not intended to and do not present the financial position and changes in net position of the Authority.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards are presented using the accrual basis of accounting. This basis of accounting is described in note 1 to the Authority's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedule are presented at the federal participation level; thus, any matching portion is not included.

Note 3: INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Authority's basic financial statements.

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Note 6: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**WILLINGBORO MUNICIPAL UTILITIES
AUTHORITY**

PART III

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2023

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Not Applicable

Internal control over major programs:

Material weakness(es) identified? _____ yes _____ no

Significant deficiency(ies) identified? _____ yes _____ none reported

Type of auditor's report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? _____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? _____ yes _____ no

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which Government Auditing Standards and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, requires.

Finding No. 2023-001

Criteria or Specific Requirement

N.J.S.A. 40A:9-22.6 requires that local government officers file financial disclosure statements.

Condition

The Authority did not receive all required financial disclosure forms from several local government officials.

Context

All local government officers shall file annually a financial disclosure statement. Statements shall be filed on or before April 30th each year, or if the officer is appointed during the year, a financial disclosure statement should be filed within 30 days of taking office. There were six financial disclosure forms that were not filed and one that was not filed timely.

Effect or Potential Effect

The Authority was not in compliance with N.J.S.A. 40A:9-22.6.

Cause

Several Authority officials did not complete and file their financial disclosure forms online as required.

Recommendation

That the Authority follows up with the appropriate officials to ensure all financial disclosure forms are filed on a timely basis.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

Not Applicable

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2022-001

Condition

The Authority did not accurately reconcile their bank accounts in a timely manner.

Current Status

This finding has been resolved.

Finding No. 2022-002

Condition

The Authority did not maintain an accurate list of purchase orders that should be classified as accounts payable.

Current Status

This finding has been resolved.

Finding No. 2022-003

Condition

The Authority did not have all purchase orders approved by management.

Current Status

This finding has been resolved.

Finding No. 2022-004

Condition

The Authority did not receive all required financial disclosure forms from several local government officials.

Current Status

This condition continues to exist as finding number 2023-001.

Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management (Cont'd)

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None

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APPRECIATION

We express our appreciation for the courtesies extended and assistance rendered to us during the course of this audit.

Respectfully submitted,

Bowman + Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

