

**CAMDEN COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**REPORT OF AUDIT**

**WITH  
SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED  
DECEMBER 31, 2020 AND 2019**

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
TABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
	Roster of Officials	1
<b><u>PART I - FINANCIAL SECTION</u></b>		
	Independent Auditor's Report	3
	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	6
	Management's Discussion and Analysis	8
<u>Basic Financial Statements</u>		
A	Comparative Statements of Net Position	17
B	Comparative Statements of Revenues, Expenses and Changes in Net Position	19
C	Comparative Statements of Cash Flows	20
	Notes to Financial Statements	22
<u>Required Supplementary Information</u>		
RSI-1	Schedule of the Authority's Proportionate Share of the Net Pension Liability - PERS	70
RSI-2	Schedule of the Authority's Contributions – PERS	71
RSI-3	Schedule of the Authority's Proportionate Share of the Net OPEB Liability	72
RSI-4	Schedule of the Authority's OPEB Contributions	73
RSI-5	Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios	74
	Notes to Required Supplementary Information	75
<u>Supplementary Schedules</u>		
<u>Schedule No.</u>		
1	Combining Schedule of Revenues, Expenses and Changes in Net Position	78
2	Schedule of Cash Receipts, Cash Disbursements and Changes in Cash and Cash Equivalents	79
3	Schedule of Sewer Operations--Revenues, Operating Appropriations, Principal Payments and Non-Operating Appropriations Compared to Budget	80
4	Analysis of Investment Income Receivable	82
5	Schedule of Revenue Bonds	83
6	Schedule of Loans Payable	89
<b><u>PART II - SINGLE AUDIT SECTION</u></b>		
	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required By the Uniform Guidance and State of New Jersey Circular 15-08-OMB-Independent Auditor's Report	99
A	Schedule of Expenditures of Federal Awards	101
B	Schedule of Expenditures of State Financial Assistance	103
	Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	105
<b><u>PART III - SCHEDULE OF FINDINGS AND QUESTIONED COSTS</u></b>		
	Schedule of Findings and Questioned Costs	107
	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	112
	<b>APPRECIATION</b>	113

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**

Roster of Officials  
December 31, 2020

---

**Commissioners**

Michael G. Brennan  
James Bresch  
Jeffrey S. Swartz  
Woodrow Cuffee  
James MacFarlane  
Bradford Stokes  
Anne Cutler  
Stella Sytnik  
Erin Johnson

**Position**

Chairperson  
Vice – Chairperson  
Treasurer  
Commissioner  
Commissioner  
Commissioner  
Commissioner  
Commissioner  
Commissioner

**Other Officials**

Scott Schreiber  
Stephanie Madden  
Wayne Planamento  
Robert Cornforth  
Leonard Gipson  
Kim Michelini  
Bank of New York Mellon (NJ)

**Position**

Executive Director  
General Counsel / Chief Compliance Officer  
Chief Financial Officer  
Director of Operations and Maintenance, Interceptors  
Director of Operations and Maintenance, Main Plant  
Director of Administrative Operations / Authority Secretary  
Trustee

**CAMDEN COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**PART I**

**FINANCIAL SECTION**

**FOR THE YEARS ENDED  
DECEMBER 31, 2020 AND 2019**

## **INDEPENDENT AUDITOR'S REPORT**

The Chairman and Commissioners of  
Camden County Municipal Utilities Authority  
Camden County, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, a component unit of the County of Camden (Authority), as of and for the years ended December 31, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. 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 in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, a component unit of the County of Camden, as of December 31, 2020 and 2019, 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.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of the net pension liability, schedule of the Authority's pension contributions, schedule of the Authority's proportionate share of the net OPEB liability, schedule of the Authority's OPEB contributions, and schedule of changes in the Authority's total OPEB liability and related ratios, as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other 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 not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, 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), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules as listed in the table of contents and schedules of expenditures of federal awards and state financial assistance 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. Such 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, the accompanying supplementary information, as listed in the table of contents, and schedules of expenditures of federal awards and state financial assistance 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 April 14, 2022 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*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
April 14, 2022

**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 Chairman and Members of  
Camden County Municipal Utilities Authority  
Camden County, 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 in compliance with 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 Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, a component unit of the County of Camden, (Authority), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 14, 2022.

**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 may exist that have not been identified.



31700

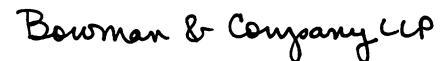
**Compliance and Other Matters**

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 disclosed no instances of noncompliance or other matters that are required to be reported under *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.

**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 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 and state 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  
April 14, 2022

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
For the Years Ended December 31, 2020 and 2019 (unaudited)**

**INTRODUCTION TO THE ANNUAL REPORT**

The following Management’s Discussion and Analysis (MD&A) of the Camden County Municipal Utilities Authority provides an introduction to the financial statements of the Authority for the year ended December 31, 2020. The financial section of the annual report consists of four sections: Management’s Discussion and Analysis (this section), the basic financial statements together with the notes thereto, required supplementary information and related notes, and supplemental information. The financial statements section provides comparisons between current and prior years’ results as well as budgeted and actual results on a supplemental schedule.

The Authority’s financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America, 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 are capitalized and depreciated over their useful lives (with the exception of land and construction in progress). See notes to the financial statements for a summary of the Authority’s significant accounting policies.

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

This section of the Authority’s financial statements, the Management’s Discussion and Analysis (MD&A), presents an overview of the Authority’s financial performance during the year ended December 31, 2020 compared to December 31, 2019 and December 31, 2018. It provides an assessment of how the Authority’s position has improved or deteriorated and identifies the factors that, in management’s view, significantly affected the Authority’s overall financial position. It may contain opinions, assumptions or conclusions by the Authority’s management that should not be considered a replacement for, and must be read in conjunction with, the financial statements described below.

**THE FINANCIAL STATEMENTS**

The “Comparative Statements of Net Position” provide information about the nature and amounts of investments in resources (assets), future period reductions of net position (deferred outflows of resources), the obligations to Authority’s creditors (liabilities) and future period acquisitions of net position (deferred inflows of resources) with the difference reported as net position.

The “Comparative Statements of Revenues, Expenses and Changes in Net Position” account for all of the current year’s revenues and expenses, measures the success of the Authority’s operations over the past two years and can be used to determine how the Authority has funded its costs.

The “Comparative Statements of Cash Flows” provide information about the Authority’s cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

The “Notes to Financial Statements” contain information that is essential to understanding the basic financial statements, such as the Authority’s accounting methods and policies. The details of contractual obligations and future commitments and contingencies of the Authority are also included. Likewise, any other events or developing situations that could materially affect the Authority’s financial position are noted.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONT’D)  
For the Years Ended December 31, 2020 and 2019 (unaudited)**

**REQUIRED SUPPLEMENTARY INFORMATION**

This section provides presentations of the Authority’s financial information in accordance with the requirements of Governmental Accounting Standard Board (GASB) Statement No. 68 and Statement No. 75 as more fully described in the Changes in Financial Position section below.

**SUPPLEMENTARY INFORMATION**

This section provides presentations of the Authority’s financial information in accordance with the requirements of the various Bond Resolutions.

**FINANCIAL HIGHLIGHTS**

Management believes the financial position of the Camden County Municipal Utilities Authority (the “Authority”) is strong. Key financial highlights for the Authority’s current year were:

- Total assets as of December 31, 2020 were \$591,326,729. After adding deferred outflows of resources of \$11,467,857 and deducting liabilities of \$294,881,521 and deferred inflows of resources of \$22,965,519; the resulting net position is \$284,947,546.
- Operating revenues were \$92,955,061, \$92,821,050, and \$90,953,880 for the years ended December 31, 2020, 2019 and 2018, respectively.
- Operating expenses were \$70,813,034, \$68,764,574, and \$67,347,733 for the years ended December 31, 2020, 2019 and 2018, respectively.
- Investment income for the year ended December 31, 2020 was \$219,884, a decrease of \$330,628 from the prior year.
- Interest expense for the year ended December 31, 2020 was \$801,838, a decrease of \$945,312 from the prior year.
- Payment to the County of Camden for Shared Service Agreement for the year ended December 31, 2020 was \$15,000,000, a \$5,000,000 increase from the prior year and in accordance with the Authority’s adopted budget.
- Net position restricted for capital assets was \$303,515,495 as of December 31, 2020, a decrease of \$4,322,759 from the prior year. Unrestricted net position was a deficit of \$26,020,949 as of December 31, 2020; this deficit is a result of implementation of GASB 68 and GASB 75, described in more detail below.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)  
For the Years Ended December 31, 2020 and 2019 (unaudited)**

**NET POSITION**

The following table provides a summary of the Authority's net position for 2020, 2019 and 2018.

<b><u>SUMMARY OF FINANCIAL POSITION</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b>Change from 2019 to 2020</b>	
				<b><u>Amount</u></b>	<b><u>%</u></b>
<b>ASSETS</b>					
Unrestricted Assets	\$ 44,652,244	\$ 33,346,969	\$ 23,522,847	\$ 11,305,275	33.90%
Restricted Assets	58,407,756	47,688,000	61,665,623	10,719,756	22.48%
Capital Assets, Net	488,266,729	486,164,686	467,804,871	2,102,043	0.43%
Total Assets	591,326,729	567,199,655	552,993,341	24,127,074	4.25%
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	11,467,857	7,666,324	8,203,079	3,801,533	49.59%
<b>LIABILITIES</b>					
Current Liabilities	103,495,504	27,495,565	38,822,237	75,999,939	276.41%
Total Long-Term Liabilities	191,386,017	243,964,001	232,901,616	(52,577,984)	-21.55%
Total Liabilities	294,881,521	271,459,566	271,723,853	23,421,955	8.63%
<b>DEFERRED INFLOWS OF RESOURCES</b>	22,965,519	24,558,656	21,535,130	(1,593,137)	-6.49%
<b>NET POSITION</b>					
Net Investment in Capital Assets	303,515,495	307,838,254	305,947,174	(4,322,759)	-1.40%
Restricted for Bond Covenants	7,453,000	7,367,000	6,394,000	86,000	1.17%
Unrestricted (Deficit)	(26,020,949)	(36,357,497)	(44,403,737)	10,336,548	-28.43%
Total Net Position	\$ 284,947,546	\$ 278,847,757	\$ 267,937,437	\$ 6,099,789	2.19%

**CHANGES IN FINANCIAL POSITION**

During the year ended December 31, 2015, the Authority was required to implement Governmental Accounting Standard Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The pension liability is based on an actuarial estimate and the actual payments may vary as they will be paid over the employees' lifetime through retirement.

During the year ended December 31, 2018, the Authority was required to implement Governmental Accounting Standard Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The net OPEB liability is based on an actuarial estimate and the actual payments may vary as they are paid as billed by the health benefit plans.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)  
For the Years Ended December 31, 2020 and 2019 (unaudited)**

**CHANGES IN FINANCIAL POSITION (CONT'D)**

The notes to the financial statements provide a more thorough discussion of the implementation of these GASB Statements and the effects to the financial statements. The following table provides an illustration of the impact that GASBS 68, 71 and 75 had to the Authority's Unrestricted Net Position.

**Statement of Net Position - Effect of Pension and OPEB Related Items**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Unrestricted Net Position (Deficit)	\$ (26,020,949)	\$ (36,357,497)	\$ (44,403,737)
Pension Related Items:			
Deferred Outflows Related to Pensions	3,758,791	5,144,076	5,612,980
Less: Accounts Payable Related to Pensions	(1,323,146)	(1,169,075)	(1,115,776)
Less: Accrued Liability Related to Pensions	(661,573)	(584,538)	(557,888)
Less: Net Pension Liability	(19,723,991)	(21,656,050)	(22,086,642)
Less: Deferred Inflows Related to Pensions	(8,967,673)	(8,913,492)	(8,662,354)
	<u>(26,917,592)</u>	<u>(27,179,079)</u>	<u>(26,809,680)</u>
OPEB Related Items:			
Deferred Outflows Related to OPEB	7,366,480	2,113,533	2,097,146
Less: Net OPEB Liability	(27,413,632)	(20,496,647)	(24,455,951)
Less: Deferred Inflows Related to OPEB	(13,559,721)	(15,645,164)	(12,828,959)
	<u>(33,606,873)</u>	<u>(34,028,278)</u>	<u>(35,187,764)</u>
Unrestricted Net Position (Deficit), net of the effect of Pension and OPEB	<u>\$ 34,503,516</u>	<u>\$ 24,849,860</u>	<u>\$ 17,593,707</u>

Since pension and net OPEB liability are considered long-term liabilities, the Authority's management does not include these amounts when making current operating decisions. Management feels the current ratio, which is the comparison of current assets to current liabilities, is the best way to evaluate the operations of the Authority.

In 2020, the Authority's net position increased by 2.19% from 2019 and increased by 6.35% from 2018. The increases over 2019 and 2018 resulted from the Authority's continued investment into infrastructure assets as long-term debt and related interest expenses decreased. Interest expense in 2020 decreased by \$945,312 or 54.11% from 2019 and decreased by \$2,320,262 or 74.32% from 2018.

The Authority's Bond Resolutions and State Regulations govern Restricted Assets. The category Restricted Assets increased by 22.48% from 2019 and decreased by 5.28% from 2018. The increase from 2019 was due to the closing of several construction financing programs with New Jersey Infrastructure Bank (NJIB) in 2020, therefore, increasing Restricted Cash and Cash Equivalent and Cash Held by Fiscal Agent. The decrease from 2018 was due to the final maturity of 1990 Capital Appreciation Bonds Series A in 2019, therefore, reducing the amount required in debt service reserve.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)  
For the Years Ended December 31, 2020 and 2019 (unaudited)**

**CHANGES IN FINANCIAL POSITION (CONT'D)**

The Authority's total liabilities increased \$23,421,955 or 8.63% from 2019 and increased \$23,157,668 or 8.52% from 2018. As mentioned above, the Authority closed on several construction financing programs with NJIB and recorded related debt payable. It is anticipated that permanent long-term financing will be obtained through the New Jersey Infrastructure Bank before or upon completion of the projects. The remaining increase in Current Liabilities is offset by decrease in long-term liabilities as a few interim financing notes issued in prior years became due in 2021. In June 2021, NJIB issued permanent financing which included these notes with 2021 maturity dates and CCMUA was only responsible for paying annual debt service per NJIB repayment schedules and not the full amounts in 2021.

The following table reflects changes in net position for 2020, 2019 and 2018.

<b><u>CHANGES IN NET POSITION</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>Change from 2019 to 2020</u></b>	
				<b><u>Amount</u></b>	<b><u>%</u></b>
<b>OPERATING REVENUE</b>					
User Charges and Fees	\$ 84,732,457	\$ 84,778,782	\$ 84,509,872	\$ (46,325)	-0.05%
Other Revenue	8,222,604	8,042,268	6,444,008	180,336	2.24%
Total Operating Revenues	92,955,061	92,821,050	90,953,880	134,011	0.14%
<b>OPERATING EXPENSES</b>					
Administration	8,479,286	8,084,567	10,918,236	394,719	4.88%
Cost of Providing Services	36,622,255	34,522,381	30,109,223	2,099,874	6.08%
Depreciation	25,711,493	26,157,626	26,320,274	(446,133)	-1.71%
Total Operating Expenses	70,813,034	68,764,574	67,347,733	2,048,460	2.98%
<b>OPERATING INCOME</b>	22,142,027	24,056,476	23,606,147	(1,914,449)	-7.96%
<b>NONOPERATING REVENUE (EXPENSES):</b>					
Investment Income	219,884	550,512	333,554	(330,628)	-60.06%
Grant Revenues	59,413	173,476	50,748	(114,063)	-65.75%
Interest Expense	(801,838)	(1,747,150)	(3,122,100)	945,312	-54.11%
Bond Issuance Costs	(443,947)	(324,868)	(800,116)	(119,079)	36.65%
Shared Services Agreement County of Camden	(15,000,000)	(10,000,000)		(5,000,000)	50.00%
Community Service Projects	(10,571)	(639,958)	(24,243)	629,387	-98.35%
Amortization of Pre-Operating Costs	(7,019)	(7,019)	(7,021)		
Cancellation of Principal Forgiveness	(50,242)			(50,242)	
Net Loss on Disposal and Abandonment of Capital Assets	(7,918)	(1,151,149)		1,143,231	-99.31%
<b>TOTAL NON-OPERATING ITEMS</b>	(16,042,238)	(13,146,156)	(3,569,178)	(2,896,082)	22.03%
Increase in Net Position	6,099,789	10,910,320	20,036,969	(4,810,531)	-44.09%
Total Net Position Jan. 1, As Originally Stated	278,847,757	267,937,437	283,158,555	10,910,320	4.07%
Cumulative Effect of Change in Accounting Principle			(35,258,087)		
Total Net Position Jan. 1, As Restated	278,847,757	267,937,437	247,900,468	10,910,320	4.07%
Net Position Dec. 31	\$ 284,947,546	\$ 278,847,757	\$ 267,937,437	\$ 6,099,789	2.19%

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)  
For the Years Ended December 31, 2020 and 2019 (unaudited)**

**CHANGES IN NET POSITION (CONT'D)**

The Authority's overall financial position is firm. User fees and other operating revenues remained consistent from 2019 to 2020, despite the ongoing Coronavirus public health pandemic and provisions made by the Authority to delinquent interest receivables in response to Executive Order No. 246 of 2021 and Senate Bill 4081.

In 2020, total operating expenses increased \$2,048,460 or 2.98% from 2019 and increased \$3,465,301 or 5.15% from 2018. The Authority was in the process of implementing a series of capital improvements that will ultimately reduce the utility appropriation. While these capital improvements are in progress, Authority would have a temporary increase in the cost of utilities.

In 2020, non-operating revenue, net of expenses, decreased by 22.03% compared to 2019 and by 349.47% compared to 2018. Although the Authority's interest expense was lower in 2020, the contribution to the County of Camden for the repair and/or replacement of certain County infrastructure projects in accordance with the provisions of N.J.S.A. 40:14B-40.2 increased from \$10,000,000 to \$15,000,000 in accordance with adopted budget.

**BUDGETARY HIGHLIGHTS**

The Camden County Municipal Utilities Authority must adopt a budget in accordance with N.J.A.C. 5:31-2. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. In 2020, actual revenues exceeded the anticipated revenues by \$3,306,775 [\$93,234,358 vs. \$89,927,583]. Connection fees revenue increased in 2020 from historical averages as several development projects were underway in the County. Interest on investment and deposit also contributed to the excess as the improved cash position allowed for accumulation of interest earnings. Total operating appropriations came in well under the budget for 2020 in the amount of \$6,629,727 [\$56,085,733 vs. \$62,715,460]. Actual costs for items such as salaries and wages for cost of providing services, fringe benefits, and sludge disposals were lower than anticipated in the budget.

**DEBT ADMINISTRATION**

During the year 2020, the Authority continued to pay down its outstanding debt from operating revenues.

On September 25, 2020, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$23,711,831. The loan consists of 50% DEP interest-free funding and 50% I-Bank market rate financing. The maturity date of the loan is June 30, 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 Newton Lake dredging project.

On September 25, 2020, the Authority also closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$2,933,555. The loan consists of 50% DEP interest-free funding and 50% I-Bank market rate financing. The maturity date of the loan is June 30, 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 Berlin Force Main rehabilitation project.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)  
For the Years Ended December 31, 2020 and 2019 (unaudited)**

**DEBT ADMINISTRATION (CONT'D)**

On December 10, 2020, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$1,249,973. The loan consists of 50% principal forgiveness loan, 25% DEP interest-free funding and 25% I-Bank market rate financing. The maturity date of the loan is June 30, 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 Long Term Control Plan (LTCP).

On December 10, 2020, the Authority also closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$1,679,070. The loan consists of 50% principal forgiveness loan, 25% DEP interest-free funding and 25% I-Bank market rate financing. The maturity date of the loan is June 30, 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 construction of several green infrastructure projects in Camden City.

**CAPITAL IMPROVEMENTS AND CONSTRUCTION ACTIVITY**

The major projects in the Authority's capital improvements plan include the following:

- Anaerobic Sludge Digester and CHP Facilities Construction – the sludge digesters have reduced volume of sludge produced as part of the wastewater treatment process by approximately 50%. Digestion process also reduces odor potential and disposal costs of sludge. Additionally, the digestion process produces biogas which is collected and cleaned for use in the Combined Heat and Power facility (CHP) to produce electricity. CHP facility produces amount of electricity equivalent to approximately 50% of the entire treatment plant demand during average flows. The project was substantially complete on September 30, 2020.
- Raw Sewage Pump Upgrade – the raw sewage pump project has increased the overall capacity of the headworks of the Delaware #1 WPCF to 240 MGD and the firm plant's treatment capacity to 180 MGD, which is a 30 MGD increase from the previous configuration. This project has allowed the wastewater treatment plant to accept more flow from the City of Camden's combined sewer system during wet weather and has improved the efficiency of the pumps by utilizing variable speed drives. The project was substantially complete on November 24, 2021.
- Berlin Force Main Project – the emergency rehabilitation, lining and replacement of the full length (8,400 linear feet) of Berlin Force Main. This force main failed prematurely and unexpectedly. The project was substantially complete on May 25, 2021
- Newton Lake Dredging Project – the dredge project consists of the removal of approximately 257,000 cubic yards of sediment that has been deposited in the lake over the past decades. The goal of the project is to improve water quality and allow for the use of the lake for recreational activities. The project will be complete by December 31, 2022.



**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)  
For the Years Ended December 31, 2020 and 2019 (unaudited)**

**CAPITAL IMPROVEMENTS AND CONSTRUCTION ACTIVITY (CONT'D)**

The major projects in the Authority's capital improvements plan include the following (cont'd):

- Return Sludge Piping Replacement – the project consists of replacing most of the return sludge piping system, including pipes, varying in size between 8 and 36 in diameter, valves, valve operators and controls. Original piping had reached limit of its useful life and experienced frequent failures. The goal of the project is to provide an updated piping system which will minimize emergency repairs of the return sludge piping system and provide reliable and efficient operation of the secondary treatment system. The project will be complete by December 31, 2022.
  
- Large Pump Station Electrical Upgrades -this project consists of replacement of outdated and failing 4160 V switch gear in four (4) largest CCMUA pumping stations. Current systems have reached their useful life and have failed on multiple occasions. The goal of the project is to restore reliable and efficient operations of the largest pumping stations on the CCMUA's collection system, prevent emergency overflows of sewage and improve health and safety of the residence the Camden County. The project will be complete by December 31, 2023.

**ADDITIONAL FINANCIAL INFORMATION**

This Financial Report is designed to provide the Authority's customers, investors and other interested parties with an overview of the Authority's financial operations and financial condition. Should the reader have questions regarding the information contained in this report or wish to request additional financial information, please contact Wayne Planamento, Chief Financial Officer, at 1645 Ferry Avenue, Camden, New Jersey 08104.

## **BASIC FINANCIAL STATEMENTS**

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Comparative Statements of Net Position  
 As of December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 36,286,893	\$ 22,523,434
Accounts Receivable	8,364,258	10,811,564
Accrued Interest Receivable	593	11,471
Other	500	500
	<hr/>	<hr/>
Total Unrestricted Assets	44,652,244	33,346,969
Restricted Assets:		
Cash and Cash Equivalents	28,222,275	18,869,875
Cash Held by Fiscal Agent	29,904,252	25,302,950
Due from State of New Jersey -- NJDEP Fund Receivable	246,589	3,478,598
Grants Receivable	34,360	29,774
Accrued Interest Receivable	280	6,803
	<hr/>	<hr/>
Total Restricted Assets	58,407,756	47,688,000
	<hr/>	<hr/>
Total Current Assets	103,060,000	81,034,969
Noncurrent Assets:		
Restricted Assets:		
Capital Assets:		
Utility Plant-In Service, Net of Accumulated Depreciation	393,251,216	412,303,104
Construction in Progress	77,051,779	58,593,148
Other Capital Assets, Net of Accumulated Depreciation	17,963,734	15,268,434
	<hr/>	<hr/>
Total Capital Assets	488,266,729	486,164,686
	<hr/>	<hr/>
Total Noncurrent Assets	488,266,729	486,164,686
	<hr/>	<hr/>
Total Assets	591,326,729	567,199,655
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pre-Operating Costs		7,018
Deferred Loss on Refunding of Debt	342,586	401,697
Related to OPEB	7,366,480	2,113,533
Related to Pensions	3,758,791	5,144,076
	<hr/>	<hr/>
Total Deferred Outflows of Resources	11,467,857	7,666,324
	<hr/>	<hr/>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Comparative Statements of Net Position  
As of December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>LIABILITIES</b>		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	\$ 8,014,308	\$ 9,343,646
Accounts Payable - Related to Pension	1,323,146	1,169,075
Accrued Expenses	612,734	728,744
Reserve for Grant Expenditures:		
Clean Water Enforcement Act	3,183,680	3,174,980
	<hr/>	<hr/>
Total Current Liabilities Payable from Unrestricted Assets	13,133,868	14,416,445
Current Liabilities Payable from Restricted Assets:		
Retainages Payable	1,304,187	2,189,714
Current Maturities of Long-Term Debt	88,571,329	10,301,299
Accrued Interest Payable	486,120	588,107
	<hr/>	<hr/>
Total Current Liabilities Payable from Restricted Assets	90,361,636	13,079,120
Long-Term Liabilities Payable:		
Net Pension Liability	19,723,991	21,656,050
Net OPEB Liability	27,413,632	20,496,647
Accrued Liabilities - Related to Pension	661,573	584,538
Long-term Debt	143,586,821	201,226,766
	<hr/>	<hr/>
Total Long-Term Liabilities	191,386,017	243,964,001
Total Liabilities	<hr/>	<hr/>
	294,881,521	271,459,566
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Gain on Refunding of Debt	438,125	
Related to OPEB	13,559,721	15,645,164
Related to Pensions	8,967,673	8,913,492
	<hr/>	<hr/>
Total Deferred Inflows of Resources	22,965,519	24,558,656
<b>NET POSITION</b>		
Net Investment in Capital Assets	303,515,495	307,838,254
Restricted	7,453,000	7,367,000
Unrestricted (Deficit)	(26,020,949)	(36,357,497)
	<hr/>	<hr/>
Total Net Position	\$ 284,947,546	\$ 278,847,757

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

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Comparative Statements of Revenues, Expenses and Changes in Net Position  
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUE</b>		
User Charges and Fees	\$ 84,732,457	\$ 84,778,782
Connection Fees	5,962,664	5,294,459
Other	2,259,940	2,747,809
Total Operating Revenues	<u>92,955,061</u>	<u>92,821,050</u>
<b>OPERATING EXPENSES</b>		
Administration:		
Salary & Wages	2,297,114	2,306,765
Fringe Benefits	1,633,811	1,299,177
Other Expenses	4,548,361	4,478,625
Cost of Providing Services:		
Salary & Wages	7,712,425	8,248,383
Fringe Benefits	2,374,026	2,498,334
Other Expenses	26,535,804	23,775,664
Depreciation	25,711,493	26,157,626
Total Operating Expenses	<u>70,813,034</u>	<u>68,764,574</u>
<b>OPERATING INCOME</b>	<u>22,142,027</u>	<u>24,056,476</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment Income	219,884	550,512
Grant Revenues	59,413	173,476
Interest Expense on Long Term Debt	(801,838)	(1,747,150)
Bond Issuance Costs	(443,947)	(324,868)
Shared Services Agreement County of Camden	(15,000,000)	(10,000,000)
Amortization of Pre-Operating Costs	(7,019)	(7,019)
Loss on Disposal of Capital Assets	(7,918)	(255,996)
Loss on Abandonment of Capital Assets		(895,153)
Cancellation of Principal Forgiveness	(50,242)	
Community Service Projects	(10,571)	(639,958)
Total Non-operating Revenues (Expenses)	<u>(16,042,238)</u>	<u>(13,146,156)</u>
<b>CHANGE IN NET POSITION</b>	6,099,789	10,910,320
<b>NET POSITION - BEGINNING</b>	<u>278,847,757</u>	<u>267,937,437</u>
<b>NET POSITION - ENDING</b>	<u>\$ 284,947,546</u>	<u>\$ 278,847,757</u>

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

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**

Comparative Statements of Cash Flows  
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 87,179,763	\$ 84,584,455
Other Operating Receipts	11,408,485	9,484,815
Payments to Suppliers	(32,529,513)	(29,738,276)
Payments to Employees	(14,700,268)	(15,142,747)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	51,358,467	49,188,247
Cash Flows from Capital and Related Financing Activities:		
Principal Paid on Bonds	(10,301,300)	(20,490,021)
Payments of Defeased Bonds	(22,910,199)	
Interest Paid on Bonds	(2,044,371)	(2,053,474)
Proceeds from Issuance of Long Term Debt	39,799,961	25,545,397
Proceeds from Refunding Bonds	14,395,345	
Receipt of Cash Held by Fiscal Agents	21,143,705	26,745,230
Deposit of Cash Held by Fiscal Agents	(25,745,007)	(18,915,397)
Premium Received on Debt Issued	1,284,060	
Bond Issuance Costs	(443,947)	(324,868)
Receipts from Grants	59,413	173,476
Payment of Shared Services Agreement to County of Camden	(15,000,000)	(10,000,000)
Acquisition and Construction of Capital Assets	(28,717,553)	(45,978,093)
Cash Received from Disposal of Capital Assets		439,665
	<hr/>	<hr/>
Net Cash Used in Capital and Related Financing Activities	(28,479,893)	(44,858,085)
Cash Flows from Investing Activities:		
Investment Income	237,285	575,723
Deferred Interest Revenue		(43,817)
Redemption of Investments		2,616,944
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	237,285	3,148,850
Net Increase in Cash and Cash Equivalents	23,115,859	7,479,012
Cash and Cash Equivalents - January 1	41,393,309	33,914,297
	<hr/>	<hr/>
Cash and Cash Equivalents - December 31	\$ 64,509,168	\$ 41,393,309
	<hr/>	<hr/>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Comparative Statements of Cash Flows  
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Operating Income	\$ 22,142,027	\$ 24,056,476
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	25,711,493	26,157,626
Cancellation of Loan Forgiveness	(50,242)	
Pension Liability Expense - GASB 68	(261,487)	369,398
OPEB Expense - GASB 75	(421,405)	(1,159,486)
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	2,447,306	(194,327)
(Increase) Decrease in Grants and Loan Receivable	3,227,423	1,354,853
Increase (Decrease) in Unrestricted Accounts Payable and Accrued Expenses	(1,445,348)	(1,483,987)
Increase (Decrease) in Reserve for Grants	8,700	87,694
Net Cash Provided by Operating Activities	<u>\$ 51,358,467</u>	<u>\$ 49,188,247</u>

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

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Notes to Financial Statements  
For the Years Ended December 31, 2020 and 2019

---

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Camden County 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 Camden County Municipal Utilities Authority is a public body corporate and politic of the State of New Jersey and was originally created by an ordinance duly adopted on March 15, 1972 by the Board of Commissioners of the County of Camden, State of New Jersey.

The Authority was created for the purpose of acquiring, constructing, maintaining and operating facilities for the collection, treatment, purification or disposal of sewerage or other wastes for the relief of waters in, bordering or entering the County of Camden (the "County") from pollution or threatened pollution and for the improvement of conditions affecting the public health.

The Authority has entered into a service agreement with its member municipalities within the County. The Authority bills and collects its revenue from the users of the system sufficient to pay or provide for the expenses of operation, repair and maintenance of the system, debt service, deficits (if any), and maintain reserves and sinking funds as may be required.

The County is obligated to pay the Authority, pursuant to a Deficiency Agreement, any annual charges equal to any deficits in revenues necessary to pay or provide for (i) operation and maintenance expenses, (ii) principal and interest payments on bonds and notes in an aggregate principal amount not to exceed \$685,500,000 and (iii) the maintenance of reserves required under the Bond Resolution securing the Authority's bonds and notes.

**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 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 County of Camden.



**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.

**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. Sewer service charges are recognized as revenue when services are provided. Connection fees are paid to the Authority at the time a property applies for connection to the regional sewer system and are recognized as revenue when the funds are received. At the time the municipality issues a release for certificate of occupancy, the Authority determines that sewage collection services are being provided to the properties and begins the billing process.

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, bond issue costs, bond premiums, deferred loss on defeasance and the annual required contribution for the Authority's Other Postemployment Benefits (OPEB) Plan 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 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 not 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 governmental 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 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)****Inventories**

Inventory consists principally of chemicals for the treatment of wastewater, sewerage and sludge and is valued at cost. The Authority has determined that the inventories are immaterial and are not 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, 2020 and 2019.

**Capital Assets**

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets purchased since are stated at actual cost. Donated capital assets are recorded at their fair market value as of the date received.

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.

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

**Depreciation**

Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	<u>Years</u>
Plant	50
Interceptors	75
Heavy Duty Vehicles	10
Office Furniture and Equipment	10
Other	5

**Bond Premiums**

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

**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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

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: pre-operating costs, gain/loss on refunding of debt, 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 and is recorded as a liability until the revenue is both measurable and the Authority is eligible to realize the revenue.

**Pensions**

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 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 (benefit) expense, 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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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, 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 does 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.

**Operating and Non-Operating Revenues and Expenses**

Operating revenues include all revenues derived from waste water treatment and sewer collection facilities (i.e., user service charges and connection fees) and other revenue sources. Non-operating revenues principally consist of certain grant revenues and interest income earned on various interest-bearing accounts.

Operating expenses include expenses associated with the operation, maintenance and repair of the waste water treatment and sewer collection facilities and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt, bond issuance costs, amortization and other community service projects.

**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.

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

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 90, *Major Equity Interests*. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The adoption of this Statement had no impact on the Authority's financial statement.

**Recently Issued Accounting Pronouncements**

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

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement originally would have become effective for the Authority in the year ending December 31, 2020, but as a result of GASB Statement 95 will become effective in the year ending December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies accounting for interest cost incurred before the end of a construction period. This Statement originally would have become effective for the Authority in the year ending December 31, 2020, but as a result of GASB Statement 95 will become effective in the year ending December 31, 2021. Management has not yet determined the impact of this Statement on the financial statements.

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

Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement originally would have become effective for the Authority in the year ending December 31, 2021, but as a result of GASB Statement 95 will become effective in the year ending December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statements are effective as follows:

1. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
2. The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 originally would have become effective for the Authority in the year ending December 31, 2021, but as a result of GASB Statement 95 will become effective in the year ending December 31, 2022.
3. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities originally would have become effective for the Authority in the year ending December 31, 2021, but as a result of GASB Statement 95 will become effective in the year ending December 31, 2022.
4. The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition originally would have become effective for the Authority in the year ending December 31, 2021, but as a result of GASB Statement 95 will become effective in the year ending December 31, 2022.

Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. This Statement will become effective for the Authority in the year ending December 31, 2021. GASB Statement 95 changed the effective date for paragraphs 13 and 14 to the year ending December 31, 2022. Management does not expect this Statement will have an impact on the financial statements.

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 Statement will become effective for the Authority in the year ending December 31, 2023. Management does not expect this Statement will have an impact on the financial statements.

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

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 Statement will become effective for the Authority in the year ending December 31, 2023. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The portions of the statement effect component unit criteria are effective immediately, but the other portions of the Statement will become effective for the Authority in the year ending December 31, 2022. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement will become effective for the Authority in the year ending December 31, 2021. Management does not expect this Statement will have an impact on the financial statements.

**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, except for the underfunding of the debt service reserve requirement as described below.

**General Bond Resolution**

The Authority is subject to the provisions and restrictions of the 1987 Sewer Revenue Bond Resolution adopted May 26, 1987 and all subsequent supplemental resolutions. An Amended and Restated Sewer Revenue Bond Resolution was adopted on October 10, 1995, in order to consolidate all previous supplemental resolutions to date. A summary of the activities of each fund created by the Bond Resolution is covered below.



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

**Revenue Fund** - The Revenue Fund accounts for resources and expenditures of a general nature. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the excess funds may be used by the Authority for any lawful purpose.

**Debt Service** – The Debt Service Fund must maintain a balance on deposit sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds and loans, principal amounts maturing on bonds and loans and sinking fund installments, when such payments are required.

**Debt Service Reserve Fund** – The amount of funds on deposit must be maintained at a level equal to Maximum Debt Service to insure funds are available for payment of debt service.

**Renewal and Replacement Fund** – 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.

**Construction Account** – The Construction Fund is held by the Trustee and shall be applied to pay the cost of projects and is pledged, pending application to such costs, for the security of the payment of principal and interest on the Sewer Revenue Bonds.

**Special Reserve Fund** – The Special Reserve Fund accounts for funds in accordance with the Special Reserve Fund Deposit Requirement.

**Debt Service Coverage**

Section 4.01 of the Amended and Restated Bond Resolution adopted October 10, 1995 requires certain ratios of Net Revenues at least equal to 1.00 times the Debt Service Requirements of Bonds within the coverage of the County Agreement for such Bond Year. Pursuant to the understanding at the time of issuance of the Sewer Revenue Capital Appreciation Bonds any accretion in value of the Capital Appreciation Bonds above the original principal amount of the Bonds at initial issuance is treated as accreted interest for the purpose of defining coverage within the County Agreement.

Compliance with this covenant is calculated as follows:

<u>1995 Bond Resolution</u>	<u>Bond Year Ending December 31, 2020</u>	<u>Bond Year Ending December 31, 2019</u>
Gross Revenues:		
Operating Revenues	\$ 92,955,061	\$ 92,821,050
Interest Income	219,884	550,512
Total Gross Revenues	93,174,945	93,371,562
Operating Expenses, exclusive of depreciation	45,101,541	42,606,948
Net Revenues	48,073,404	50,764,614
Debt Service Requirement of all Bonds issued under this Resolution (treating all Bonds as a single issue of Bonds for purposes of this calculation) *	1,384,282	12,198,246
Sufficiency of Net Revenues	\$ 46,689,122	\$ 38,566,368

The amount of outstanding bonds is less than \$685,500,000 and all such bonds are entitled to the benefits of the County Agreement.

\* Annual Debt Service stated above does not include amortization of bond premiums or deferred amount on defeasance.

**Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)****Renewal and Replacement/System Reserve Requirement**

In accordance with Section 6.15 of the Amended and Restated Bond Resolution adopted October 10, 1995, within thirty (30) days prior to the end of each year, the Authority shall certify as of the end of such year or the beginning of the succeeding year the amount which is reasonably required to be held in the System Reserve Account in the Renewal and Replacement Fund as the then-current System Reserve Requirement. As defined in the bond resolution, the system reserve requirement shall mean the greater of:

	Bond Year Ending December 31, 2020	Bond Year Ending December 31, 2019
(a1) the amount stated as required as a reserve in the System Reserve Account in the Consulting Engineer's Certificate most recently filed with the Trustee pursuant to Section 6.15 hereof, plus the	\$ 3,993,000	\$ 3,767,000
(a2) Consulting Engineer's Certificate for Plant Renewal and Replacement	3,460,000	3,600,000
Total Consulting Engineer's Certified Amount	<u>\$ 7,453,000</u>	<u>\$ 7,367,000</u>
or (b) five percent (5%) of the Gross Revenues set forth in the Authority's then current Annual Budget (\$87,323,564 x 5% for 2020) and (\$91,270,285 x 5% for 2019)	\$ 4,366,178	\$ 4,563,514
Total Renewal and Replacement / System Reserve	\$ 7,453,000	\$ 7,367,000
Amount of Renewal and Replacement / System Reserve Funded	<u>8,252,147</u>	<u>8,120,400</u>
Overfunded Total Renewal and Replacement / System Reserve	<u>\$ 799,147</u>	<u>\$ 753,400</u>

**Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)****Debt Service Reserve Requirement**

The bond resolution established four (4) levels of funds that must be maintained and are ordered by priority. The fourth and lowest prioritized level is the Renewal and Replacement Fund/System Reserve Account. If there are insufficient funds in this account, the Trustee is directed to transfer funds into the reserve as they become available.

Section 1.01 of the Amended and Restated Bond Resolution adopted October 10, 1995 indicates the debt service reserve requirement shall mean the lesser of:

	<u>Bond Year Ending December 31, 2020</u>	<u>Bond Year Ending December 31, 2019</u>
(a) the Maximum Annual Debt Service Requirement of all Bonds issued under this Resolution (treating all Bonds as a single issue of Bonds for purposes of this calculation),	<u>\$ 697,729</u>	<u>\$ 1,389,110</u>
or		
(b) the sum of:		
(i) the then applicable Periodic Debt Service Reserve Requirement,	\$ 40,387,238	\$ 40,387,238
(ii) upon the issuance of any series of Additional Bonds after the 1990 Bonds, the Maximum Annual Debt Service Requirement on all Outstanding Bonds of such series less the amount, if any, of the reduction in the Maximum Annual Debt Service on any series of Bonds refunded with such series of Additional Bonds:		
2000 Series A, 2000-05		77,871
2003 Series A	108,616	317,621
2006 Series A	384,160	384,160
2006 Series A (Refunding)		313,939
2006 Series A (Refunding)		295,519
(iii) on December 2, 1997, the Maximum Annual Debt Service Requirement on any 1987 Bonds maturing on December 31, 2007 Or December 1, 2018 then outstanding.	-	-
	<u>\$ 40,880,014</u>	<u>\$ 41,776,348</u>

Therefore, the defined Debt Service Reserve Requirement as of December 31, 2020 and 2019 shall equal \$697,729 and \$1,389,110, respectively.

The Authority has funded the Debt Service Reserve Requirement as of December 31, 2020 and 2019 as follows; there was an underfunding in the amount of \$288,598 as of December 31, 2019.

	<u>Bond Year Ending December 31, 2020</u>	<u>Bond Year Ending December 31, 2019</u>
Amount on Deposit	\$ 1,102,098	\$ 1,099,567
Interest Receivable	33	945
	<u>\$ 1,102,131</u>	<u>\$ 1,100,512</u>

**Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**

**Subordinate Bond Resolution**

The Authority is further subject to the provisions and restrictions of several Subordinate Resolutions initially adopted on July 17, 2006 (the "Subordinate Resolution") as amended and supplemented at the time each subordinate bond is issued. Section 4 of the Subordinate Resolution creates an obligation on the Authority to the payment of principal and interest on the Subordinate Bonds. The Subordinate Bonds are secured by the pledge of amounts which may be withdrawn from the Renewal and Replacement Fund of the General Bond Resolution pursuant to and subject to the limitations of Paragraph (e) of Section 4.12, which states ...the Trustee shall (i) ... withdraw from and pay out of the Renewal and Replacement Fund, free and clear of the lien, pledge and security interest created hereby, any amounts in excess of the foregoing, which amounts as so withdrawn by the Authority may be used or applied by it to any lawful purpose of the Authority. The pledge of revenues and other such funds is subordinate to the provisions of the General Bond Resolution and the lien and pledge created by the General 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 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, 2020 and 2019, the Authority's bank balances were exposed to custodial credit risk as follows:

	<u>2020</u>	<u>2019</u>
Uninsured and Collateralized with Securities Held by Pledging Bank's Trust Department, but not in the Authority's Name	\$ 52,051,594	\$ 35,662,910
Insured by F.D.I.C.	<u>1,000,000</u>	<u>1,000,000</u>
Total Bank Balance	<u>\$ 53,051,594</u>	<u>\$ 36,662,910</u>

**Service Fees**

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</u> <u>Balance</u>	<u>Billings</u>	<u>Total</u> <u>Collections</u>	<u>Percentage of</u> <u>Collections</u>
2020	\$ 10,811,564	\$ 84,732,457	\$ 87,179,763	91.25%
2019	10,617,237	84,778,781	84,584,455	88.67%
2018	11,453,783	84,509,872	85,346,418	88.94%

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

At December 31, 2020 and 2019, the balance in Accounts Receivable was \$9,010,224 and \$10,811,564, respectively. The Authority's policy for allowance for doubtful accounts is to consider any account with a balance greater than 18 months old as doubtful accounts.

Delinquent account balance are sold at tax sales by the applicable municipal tax collectors on behalf of the Authority, thereby creating a lien on the property of the delinquent account. Any collection of delinquent account balance by the municipal tax collectors is subsequently forwarded to the Authority.

**Capital Assets**

During the year ended December 31, 2020, the following changes in Capital Assets occurred:

	<u>Balance</u> <u>Jan. 1, 2020</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Capital Assets, not being depreciated:					
Land	\$ 6,440,900				\$ 6,440,900
Construction in Progress	58,593,148	\$ 22,243,166	\$ (3,784,535)		77,051,779
Total Capital Assets not being depreciated	65,034,048	22,243,166	(3,784,535)	\$ -	83,492,679
Capital Assets, being depreciated:					
Plant, In Service:					
Preliminary Treatment Facility	30,970,508				30,970,508
Secondary Treatment Plant	307,661,047		3,784,534	(4,691,883)	306,753,698
Interceptors	174,580,491		(21,194)	(32,654)	174,526,643
Compost Facility	55,342,819				55,342,819
Pump Stations	185,118,254		31,671		185,149,925
Metering Stations	5,175,127		(10,476)	(25,000)	5,139,651
Consulting & Engineering	40,121,442				40,121,442
Capitalized Interest	73,517,899				73,517,899
Other:					
Administrative Building	2,757,416				2,757,416
Plant Machinery	33,298,277	4,030,329	102,255	(2,591,409)	34,839,452
Sundry	8,855,649	1,547,959	(54,500)	(586,638)	9,762,470
Total Capital Assets being depreciated	917,398,929	5,578,288	3,832,290	(7,927,584)	918,881,923
Less Accumulated Depreciation	496,268,291	25,711,493	47,755	(7,919,666)	514,107,873
Total Capital Assets being depreciated, Net	421,130,638	(20,133,205)	3,784,535	(7,918)	404,774,050
Total Capital Assets, Net	\$ 486,164,686	\$ 2,109,961	\$ -	\$ (7,918)	\$ 488,266,729

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

During the year ended December 31, 2019, the following changes in Capital Assets occurred:

	<u>Balance</u> <u>Jan. 1, 2019</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Capital Assets, not being depreciated:					
Land	\$ 6,440,900				\$ 6,440,900
Construction in Progress	43,366,871	\$ 40,108,692	\$ (23,987,262)	\$ (895,153)	58,593,148
<b>Total Capital Assets not being depreciated</b>	<b>49,807,771</b>	<b>40,108,692</b>	<b>(23,987,262)</b>	<b>(895,153)</b>	<b>65,034,048</b>
Capital Assets, being depreciated:					
Plant, In Service:					
Preliminary Treatment Facility	30,970,508				30,970,508
Secondary Treatment Plant	284,814,994		23,987,262	(1,141,209)	307,661,047
Interceptors	174,631,809			(51,318)	174,580,491
Incinerator	3,813,619			(3,813,619)	-
Compost Facility	55,342,819				55,342,819
Pump Stations	185,301,467			(183,213)	185,118,254
Metering Stations	5,175,127				5,175,127
Consulting & Engineering	40,121,442				40,121,442
Capitalized Interest	73,517,899				73,517,899
Other:					
Administrative Building	2,729,056	28,360			2,757,416
Plant Machinery	34,396,120	5,025,897		(6,123,740)	33,298,277
Sundry	9,070,313	945,306		(1,159,970)	8,855,649
<b>Total Capital Assets being depreciated</b>	<b>899,885,173</b>	<b>5,999,563</b>	<b>23,987,262</b>	<b>(12,473,069)</b>	<b>917,398,929</b>
Less Accumulated Depreciation	481,888,073	26,157,626	-	(11,777,408)	496,268,291
<b>Total Capital Assets being depreciated, Net</b>	<b>417,997,100</b>	<b>(20,158,063)</b>	<b>23,987,262</b>	<b>(695,661)</b>	<b>421,130,638</b>
<b>Total Capital Assets, Net</b>	<b>\$ 467,804,871</b>	<b>\$ 19,950,629</b>	<b>\$ -</b>	<b>\$ (1,590,814)</b>	<b>\$ 486,164,686</b>

**Note 4: DETAIL NOTES – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES****Preoperating Costs**

Prior to the operation of sewer plants, the Authority incurred preoperating costs in the amount of \$15,685,747. These costs are being amortized using the straight line method over 40 years from 1981 to 2020. The unamortized portion of preoperating costs is reported in the accompanying financial statements as a deferred outflow of resources until December 31, 2019. As of December 31, 2020, preoperating costs were completely amortized.

**Deferred Gain/Loss of Defeasance of Debt**

In 2016 and 2017, the New Jersey Environmental Infrastructure Trust advance refunded the Authority's 2008A, 2010B, and 2010A Serial Bonds. Furthermore, in 2020, New Jersey Environmental Infrastructure Trust refunded the Authority's 2003A, 2006A, and 2012A Serial Bonds. The refundings resulted in net differences between the reacquisition price and net carrying amount of the old debt in the aggregate amount of \$208,264. This difference, reported in the accompanying financial statements as a deferred outflow of resources of \$667,909 and deferred inflow of resources of \$459,645, is being charged to operations as a component of interest expense over the life of the refunding bonds.

**Note 5: DETAIL NOTES – LIABILITIES****Long-term Liabilities**

During the year ended December 31, 2020, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>Jan. 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Due Within</u> <u>One Year</u>
<b>Bonds and Loans Payable:</b>					
Revenue Bonds Payable	\$ 60,847,108	\$ 28,450,299	\$ 17,683,981	\$ 71,613,426	\$ 23,112,211
Loans Payable	147,490,294	25,745,007	15,736,750	157,498,551	65,459,118
Add:					
Premium on Bonds	3,190,663	1,323,751	1,468,241	3,046,173	
<b>Total Bonds and Loans Payable</b>	<b>211,528,065</b>	<b>55,519,057</b>	<b>34,888,972</b>	<b>232,158,150</b>	<b>88,571,329</b>
<b>Other Liabilities:</b>					
Net Pension Liability	21,656,050	12,918,298	14,850,357	19,723,991	
Accrued Liability - Related to Pensions	584,538	661,573	584,538	661,573	
Net OPEB Liability	20,496,647	22,710,316	15,793,331	27,413,632	
<b>Total Other Liabilities</b>	<b>42,737,235</b>	<b>36,290,187</b>	<b>31,228,226</b>	<b>47,799,196</b>	<b>-</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 254,265,300</b>	<b>\$ 91,809,244</b>	<b>\$ 66,117,198</b>	<b>\$ 279,957,346</b>	<b>\$ 88,571,329</b>

During the year ended December 31, 2019, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>Jan. 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Due Within</u> <u>One Year</u>
<b>Bonds and Loans Payable:</b>					
Revenue Bonds Payable	\$ 57,379,674	\$ 6,630,000	\$ 3,162,566	\$ 60,847,108	\$ 3,284,088
Loans Payable	135,680,167	18,915,397	7,105,270	147,490,294	7,017,211
Capital Appreciation Bonds Payable	10,222,185	502,815	10,725,000		
Add:					
Premium on Bonds	3,511,946		321,283	3,190,663	
<b>Total Bonds and Loans Payable</b>	<b>206,793,972</b>	<b>26,048,212</b>	<b>21,314,119</b>	<b>211,528,065</b>	<b>10,301,299</b>
<b>Other Liabilities:</b>					
Net Pension Liability	22,086,642	14,707,071	15,137,663	21,656,050	
Accrued Liability - Related to Pensions	557,888	584,538	557,888	584,538	
Net OPEB Liability	24,455,951	14,309,921	18,269,225	20,496,647	
<b>Total Other Liabilities</b>	<b>47,100,481</b>	<b>29,601,530</b>	<b>33,964,776</b>	<b>42,737,235</b>	<b>-</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 253,894,453</b>	<b>\$ 55,649,742</b>	<b>\$ 55,278,895</b>	<b>\$ 254,265,300</b>	<b>\$ 10,301,299</b>

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Revenue Bonds Payable - Series 2006A**

The Revenue Bonds Series 2006A are direct obligations of the Authority. The Bonds are secured by a pledge on the Revenues derived by the Authority from the operation of its sewerage treatment facilities.

**Special Reserve Fund**

Pursuant to the Thirteenth Supplemental Resolution adopted December 27, 1993, the provision to prepay the 1987 Sewer Revenue Bonds and the New Jersey Wastewater Treatment Trust Bonds was eliminated and amended to pay all or any portion of the principal of or interest on the 1990 Bonds when due. The Authority, however, is not obligated to use Special Reserve Fund moneys to redeem the 1990 Bonds and may, with the consent of Financial Guaranty Insurance Company, the issuer of the Municipal Bond New Issue Insurance Policy, apply such moneys to future capital projects or pay administrative costs or expenses of the Authority, including, without limitation, any costs and expenses in any way related to the issuance of Authority obligations or the restructuring of the Special Reserve Fund. The Authority does not have an obligation to further fund the Special Reserve Fund and has paid approximately \$191,650,287 into the Special Reserve Fund as of December 31, 2020 and 2019.

**2006A Revenue**

On October 11, 2006, the Authority issued County Agreement Sewer Revenue Bonds, Series 2006A dated September 26, 2006, in the amount of \$5,000,000 to pay expenses incurred in the repair of a force main in the City of Camden and other various projects. The 2006A Bonds have interest rates ranging from 3.45% to 4.05% and mature in various increments through 2026.

**New Jersey Infrastructure Bank (NJIB) (f.k.a. New Jersey Environmental Infrastructure Trust)**

On November 9, 2000, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$4,075,000 from the Trust and \$2,908,943 from the Fund. The loan proceeds were used to fund the Winslow plant expansion project. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2020. As of December 31, 2019, \$83,946 of the Fund Loan has been de-obligated due to low bid adjustment. The Trust Loan carries interest rates from 5% to 5.25%. On June 22, 2006, the Authority closed on a refunding loan of \$3,383,431 from the Trust to refund the original Trust Loan; the refunding loan carries an interest rate of 5% with a final maturity of August 1, 2020.

On November 9, 2000, the Authority also closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$3,705,000 from the Trust and \$3,501,500 from the Fund. The loan proceeds were used to fund the wastewater treatment plant odor control project. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1. Fund Loan amounts not drawn down by the Authority totaling \$478,128 were de-obligated, the Authority paid off the adjusted loan amount on August 1, 2018. The Trust Loan carries interest rates from 5% to 5.25%. On June 22, 2006, the Authority closed on a refunding loan of \$3,088,956 to refund the original Trust Loan; the refunding loan carries an interest rate of 5% with a final maturity of August 1, 2020.

On November 8, 2003, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$1,465,000 from the Trust and \$3,755,879 from the Fund. The loan proceeds were used to: 1) replace sludge dewatering belt filter press; 2) install additional sludge thickening equipment, and 3) extend the plant effluent outfall. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2023. The Trust Loan carries interest rates from 3% to 5%. On August 18, 2010, the Authority closed on a refunding loan of \$1,083,972 to refund the original Trust Loan. On June 17, 2020, the Authority further closed on a refunding loan of \$295,077 to refund the 2010 refunding loans. The 2020 refunding loan carries annual interest rate of 3% with a final maturity of August 1, 2023.



**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****New Jersey Infrastructure Bank (NJIB) (f.k.a. New Jersey Environmental Infrastructure Trust) (Cont'd)**

On November 9, 2006, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$9,750,000 from the Trust and \$25,351,847 from the Fund. The loan proceeds were used to supplement the 2003 loans in funding the three projects noted above. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1. Fund Loan amounts not drawn down by the Authority totaling \$1,796,411 were de-obligated, and the adjusted final maturity after de-obligation is August 1, 2025. The Trust Loan carries interest rates from 4% to 5%. On August 18, 2010, the Authority closed on a refunding loan of \$9,249,100 to refund the original Trust Loan. On August 14, 2012, the Authority further closed on a refunding loan of \$5,808,090 to partially refund the 2010 refunding loan except for the 2024 principal installment of \$609,100. The 2012 refunding loan carries an interest rate of 4% with a final maturity of August 1, 2026. On June 17, 2020, the Authority closed on a refunding loan in the amount of \$562,216 to refund the 2024 principal installment, with an annual interest rate of 3% with a final maturity of August 1, 2024.

On November 8, 2007, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$2,940,000 from the Trust and \$7,612,500 from the Fund. The loan proceeds were used to fund the replacement and upgrade of pure oxygen system and aeration tanks. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2027. The Trust Loan carries interest rates from 3.4% to 5%. On November 24, 2015, the Authority closed on a refunding loan of \$1,876,000 to refund the original Trust Loan; the refunding loan carries an interest rate of 5% with a final maturity of August 1, 2027.

On November 6, 2008, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$6,110,000 from the Trust and \$16,042,800 from the Fund. The loan proceeds were used to fund the construction of a new sludge drying facility. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2028. The Trust Loan carries interest rates from 3.4% to 5%. On May 10, 2016, the Authority closed on a refunding loan of \$3,641,000 to refund the original Trust Loan; the refunding loan carries interest rates from 4.5% to 5% with a final maturity of August 1, 2028.

On March 20, 2010, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$2,105,000 from the Trust and \$2,070,000 from the Fund. The loan proceeds were used to fund the replacement of odor control system. This project also included a Federal ARRA grant of \$4,412,000. The ARRA funds do not require repayment and were recorded as a capital contribution in the financial statements. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2029. The Trust Loan carries interest rates from 3.4% to 5%. On January 31, 2017, the Authority closed on a refunding loan of \$1,356,000 to refund the original Trust Loan; the refunding loan carries an interest rate of 4% with a final maturity of August 1, 2029.

On March 20, 2010, the Authority also closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$4,865,000 from the Trust and \$14,867,980 from the Fund. The loan proceeds were used supplementally fund the following projects: 1) construction of a new sludge drying facility; 2) replacement and upgrade of pure oxygen system and aeration tanks; and 3) the replacement of odor control system. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2030. The Trust Loan carries interest rates from 3.4% to 5%. On May 10, 2016, the Authority closed on a refunding loan of \$3,031,000 to refund the original Trust Loan; the refunding loan carries interest rates from 4.5% to 5% with a final maturity of August 1, 2030.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****New Jersey Infrastructure Bank (NJIB) (f.k.a. New Jersey Environmental Infrastructure Trust) (Cont'd)**

On May 3, 2012, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$1,100,000 from the Trust and \$3,397,500 from the Fund. The loan proceeds were used to fund the rehabilitation of existing deteriorating concrete structures within the Primary Treatment Facility. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2031. The Trust Loan carries interest rates from 3.4% to 5%, with a final maturity of August 1, 2031. On June 17, 2020, the Authority closed on a refunding loan of \$687,872 to refund the original Trust Loan; the refunding loan carries an interest rate of 4% with a final maturity of August 1, 2031.

On May 3, 2012, the Authority also closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$14,375,000 from the Trust and \$34,037,500 from the Fund. The loan proceeds were used to fund the construction of the Atlantic Basin interceptor extension. This project also included a Federal ARRA grant of \$2,000,000. The ARRA funds do not require repayment and were recorded as a capital contribution in the financial statements. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2031. The Trust Loan carries interest rates from 3.4% to 5%, with a final maturity of August 1, 2031. On June 17, 2020, the Authority closed on a refunding loan of \$9,293,438 to refund the original Trust Loan; the refunding loan carries an interest rate of 4% with a final maturity of August 1, 2031.

On September 1, 2013, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$1,820,000 from the Trust and \$4,625,562 from the Fund. The loan proceeds were used to supplementally fund the Atlantic Basin interceptor extension project. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2032. The Trust Loan carries interest rates from 3.4% to 5%, with a final maturity of August 1, 2032.

On May 28, 2015, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$355,000 from the Trust and \$993,413 from the Fund. The loan proceeds were used to supplementally fund the Atlantic Basin interceptor extension project. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2032. The Trust Loan carries interest rates from 4% to 5%, with a final maturity of August 1, 2032.

On May 28, 2015, the Authority also closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$1,325,000 from the Trust and \$2,242,750 from the Fund. The loan proceeds were used to fund the Camden City green and gray project. This project also included a Federal ARRA grant of \$2,000,000. The ARRA funds do not require repayment and were recorded as a capital contribution in the financial statements. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2034. The Trust Loan carries interest rates from 4% to 5%, with a final maturity of August 1, 2034.

On November 24, 2015, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$365,000 from the Trust and \$1,159,679 from the Fund. The loan proceeds were used to supplementally fund the construction of a new sludge drying facility. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2030. The Trust Loan carries interest rates from 3% to 5%, with a final maturity of August 1, 2030.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****New Jersey Infrastructure Bank (NJIB) (f.k.a. New Jersey Environmental Infrastructure Trust) (Cont'd)**

On November 24, 2015, the Authority also closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$105,000 from the Trust and \$317,250 from the Fund. The loan proceeds were used to supplementally fund the Camden City green and gray project. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1. As of December 31, 2019, Fund Loan totaling \$201,151 has been de-obligated; the adjusted final maturity for the Fund Loan is February 1, 2023. The Trust Loan carries interest rates from 3% to 5%, with a final maturity of August 1, 2034.

On May 25, 2017, the Authority also closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$1,370,000 from the Trust and \$3,000,174 from the Fund. The loan proceeds were used to fund the Camden City green and gray project phase II. This project also included a Federal ARRA grant of \$1,000,000. The ARRA funds do not require repayment and were recorded as a capital contribution in the financial statements. The Fund Loan is a non-interest bearing loan with its semi-annual principal payments due August 1 and February 1, with a final maturity of August 1, 2046. In 2020, Fund Loan amounts not drawn down by the Authority totaling \$209,232 were de-obligated, and the adjusted final maturity after de-obligation is August 1, 2044. The Trust Loan carries interest rates from 3% to 5%, with a final maturity of August 1, 2046.

On January 12, 2018, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$2,641,264 at no interest. The maturity date of the loan is June 30, 2021 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 following projects: Cramer Hill Nature Preserve, 5 Green Infrastructure Projects, and the Sewer Reconstruction Project Phase VI.

On March 20, 2018, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$76,164,967 at no interest. The maturity date of the loan is June 30, 2021 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 following projects: Anaerobic Digester (AD) Facility and Combine Heat and Power (CHP) Facility.

On December 21, 2018, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$2,005,428 at no interest. The maturity date of the loan is June 30, 2022 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 following projects: Cooper Street Pipe Lining and Arch Street Pump Station Upgrades.

On April 5, 2019, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$7,281,494 at no interest. The maturity date of the loan is June 30, 2022 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 construction of a interceptor to accept flow from Camden City Combined Sewer Overflow System. On September 25, 2020, the loan was refunded and reissued and the amount was increased to \$8,198,462.

On May 15, 2019, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$4,213,812 at no interest. The maturity date of the loan is June 30, 2022 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 construction work at nine CSOs in Camden City to restore design functionality. On August 26, 2020, the loan was refunded and reissued and the amount was increased to \$5,583,812.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****New Jersey Infrastructure Bank (NJIB) (f.k.a. New Jersey Environmental Infrastructure Trust) (Cont'd)**

On June 21, 2019, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$10,254,094 at no interest. The maturity date of the loan is June 30, 2022 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 upgrades to four existing raw sewage pumps.

On June 21, 2019, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$3,795,997 at no interest. The maturity date of the loan is June 30, 2022 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 upgrades to plant to receive more wet weather flow.

On September 25, 2020, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$23,711,831. The loan consists of 50% DEP interest-free funding and 50% I-Bank market rate financing. The maturity date of the loan is June 30, 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 Newton Lake dredging project.

On September 25, 2020, the Authority also closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$2,933,555. The loan consists of 50% DEP interest-free funding and 50% I-Bank market rate financing. The maturity date of the loan is June 30, 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 Berlin Force Main rehabilitation project.

On December 10, 2020, the Authority closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$1,249,973. The loan consists of 50% principal forgiveness loan, 25% DEP interest-free funding and 25% I-Bank market rate financing. The maturity date of the loan is June 30, 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 Long Term Control Plan (LTCP).

On December 10, 2020, the Authority also closed on an interim loan from the New Jersey Infrastructure Bank in the amount of \$1,679,070. The loan consists of 50% principal forgiveness loan, 25% DEP interest-free funding and 25% I-Bank market rate financing. The maturity date of the loan is June 30, 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 construction of several green infrastructure projects in Camden City.

**Authority Subordinate Bonds**

The 2006, 2007, 2008, 2010, 2012, 2013, 2015, 2016, 2017, 2018, 2019 and 2020 NJIB Trust and Fund Loans were issued as Authority Subordinate Bonds. The Bonds are subordinate to the Revenue Bonds issued under the 1995 Bond Resolution of the Authority. In the event of any insolvency and bankruptcy proceedings, all holders of the Revenue Bonds shall be entitled to receive payment in full of all payments due before the holders of all outstanding Authority Subordinate Bonds are entitled to receive any payment from the Gross Revenues (as defined in the General Bond Resolution).

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**

The following schedule reflects the Debt Requirements until 2046.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 88,571,329	\$ 1,166,074	\$ 89,737,403
2022	39,717,523	1,044,066	40,761,589
2023	9,994,775	917,375	10,912,150
2024	39,294,347	784,302	40,078,649
2025	9,659,005	665,530	10,324,535
2026-2030	34,555,166	1,574,509	36,129,675
2031-2035	5,711,067	231,135	5,942,202
2036-2040	792,271	99,394	891,665
2041-2045	741,494	48,650	790,144
2046	75,000	2,625	77,625
	<u>229,111,977</u>	<u>\$ 6,533,660</u>	<u>\$ 235,645,637</u>
Adjustments:			
Bond Premium	3,046,173		
	<u>\$ 232,158,150</u>		

**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.

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Up to ten days of sick leave may also be sold back in accordance with the Authority's Personnel Policy and Labor Contracts for those employees hired prior to January 1, 2012. As a result of changes in these contracts, effective December 31, 2013, and changes in the Authority's personnel policy, any unused sick leave accumulated upon retirement or death will no longer be compensated. Vacation days not used during the year may be accumulated and carried forward to the next subsequent year only. The value of vacation days not utilized will be paid to the employee upon separation of employment. Exempt employees can earn up to 42 hours comp time in any year and the unused balance can be carried forward. Permanent part-time employees are entitled to sick and vacation leave on a prorated basis.

The Authority has the following accrued liabilities for compensated absences at December 31, 2020 and 2019:

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Vacation Time	\$ 366,329	\$ 452,682
Comp Time	95,104	147,133
	<u>\$ 461,433</u>	<u>\$ 599,815</u>

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Unearned Clean Water Act Fines**

In 1972, Congress enacted the first comprehensive national clean water legislation in response to growing public concern for serious and widespread water pollution. The Clean Water Act (CWA) is the primary federal law that protects our nation's waters, including lakes, rivers, aquifers and coastal areas.

The CWA established the basic structure for regulating discharges of pollutants into the waters of the United States by making it unlawful for any person to discharge any pollutant from a point source unless a permit was obtained under its provisions. The Water Pollution Control Act (WPCA), enacted in 1977, enabled New Jersey to implement the New Jersey Pollutant Discharge Elimination System (NJPDES) permitting system required under the CWA, whereby a person must obtain a NJPDES permit in order to discharge a pollutant into surface water or ground water of the State or to release a pollutant into a municipal treatment works.

In 1990, the Legislature enacted substantial amendments to the WPCA, commonly known as the Clean Water Enforcement Act, P.L. 1990, c. 28 (CWEA). The CWEA requires the department to inspect permitted facilities and municipal treatment works at least annually. Additional inspections are required when the permittee is identified as a significant noncomplier. The CWEA also requires the assessment of mandatory minimum penalties for violations of the WPCA that are considered serious violations and for violations by permittees designated as significant noncompliers.

The CWEA mandates that 10 percent of the fines and penalties collected for violations of the CWEA be deposited in the State Licensed Operator Training Account at the NJDEP. The balance collected can be utilized by the Local Agency (the Authority) to offset the cost of the pretreatment program, funding for enforcement purposes and for upgrading municipal treatment facilities.

At December 31, 2020 and 2019, the penalties receivable amounted to \$46,275 and \$135,367, respectively. In accordance with the state statute, no allowance has been made for the collectability of this amount. Also, at December 31, 2020 and 2019, the amount due to the NJDEP for 10 percent of the penalties collected was \$246,021 and \$244,721, 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.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans**

A substantial number of the Authority's employees participate in the Public Employees' Retirement System ("PERS"), a defined benefit pension plan, which is administered by the New Jersey Division of Pensions and Benefits ("the Division"). In addition, Authority employees participated in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. The DCRP pension plan is administered by Prudential Financial for the Division. Each pension 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 pension 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>

**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 Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). 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 annually.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****General Information about the Pension Plans (Cont'd)****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, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

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 21, 2010 |
| 4 | Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011          |
| 5 | Members who were eligible to enroll on or after June 28, 2011                              |

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 before age 62 with 25 or more years of service credit 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.

**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 nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable 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 was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10.0% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Authority's contractually required contribution rate for the years ended December 31, 2020 and 2019 was 16.01% and 13.62% of the Authority's covered payroll, respectively. These amounts were actuarially determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.



**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - Based on the most recent PERS measurement date of June 30, 2020, the Authority's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$1,323,146, and was payable by April 1, 2021. Based on the PERS measurement date of June 30, 2019, the Authority's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$1,169,075, and was payable by April 1, 2020. Employee contributions to the pension plan during the years ended December 31, 2020 and 2019 were \$628,869 and \$652,080, respectively.

**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, DCRP 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, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the years ended December 31, 2020 and 2019, employee contributions totaled \$2,970 and \$2,170, respectively. The Authority recognized pension expense of \$1,922 and \$1,117 for the years ended December 31, 2020 and 2019, which equaled the required contributions. There were no forfeitures during the year.

**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – PERS**

At December 31, 2020, the Authority's proportionate share of the net pension liability was \$19,723,991. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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, 2020 measurement date, the Authority's proportion was .1209512801%, which was an increase of .0007633016% from its proportion measured as of June 30, 2019.

At December 31, 2019, the Authority's proportionate share of the net pension liability was \$21,656,050. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2019. 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, 2019 measurement date, the Authority's proportion was .1201879785%, which was an increase of .0080132634% from its proportion measured as of June 30, 2018.

For the years ended December 31, 2020 and 2019, the Authority recognized pension (benefit) expense of \$907,587 and \$1,485,179, respectively. These amounts were based on the plan's June 30, 2020 and 2019 measurement dates, respectively.

**Note 5: 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 – PERS (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
	<u>Measurement Date</u>		<u>Measurement Date</u>	
	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	<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	\$ 359,141	\$ 69,753	\$ 388,698	\$ 95,667
Changes of Assumptions	639,869	8,258,622	2,162,436	7,516,747
Net Difference between Projected and Actual Earnings on Pension Plan Investments	674,182	-	-	341,849
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	1,424,026	639,298	2,008,404	959,229
Authority Contributions Subsequent to the Measurement Date	661,573	-	584,538	-
	<u>\$ 3,758,791</u>	<u>\$ 8,967,673</u>	<u>\$ 5,144,076</u>	<u>\$ 8,913,492</u>

The deferred outflows of resources related to pensions totaling \$661,573 and \$584,538 will be included as a reduction of the net pension liability in the years ended December 31, 2021 and 2020, respectively. This amount is based on an estimated April 1, 2022 and April 1, 2021 contractually required contribution, prorated from the pension plans measurement date of June 30, 2020 and June 30, 2019 to the Authority's year end of December 31, 2020 and 2019.

**Note 5: 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 – PERS (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:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	-
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**Note 5: 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 – PERS (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension (benefit) expense as follows:

<b>Year Ending December 31,</b>	
2021	\$ (2,246,090)
2022	(2,103,290)
2023	(998,637)
2024	(414,988)
2025	(107,450)
	<u>\$ (5,870,455)</u>

**Actuarial Assumptions – PERS**

The net pension liability was measured as of June 30, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018. 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, 2020 and 2019. These actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b>Measurement Date June 30, 2020</b>	<b>Measurement Date June 30, 2019</b>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.00% - 6.00%	2.00% - 6.00%
	Based on Years of Service	Based on Years of Service
Thereafter	3.00% - 7.00%	3.00% - 7.00%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2014 - June 30, 2018

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****Actuarial Assumptions – PERS (Cont'd)**

For the June 30, 2020 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-2020.

For the June 30, 2019 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-2019.

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020 and 2019) 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, 2020 and 2019 are summarized in the table on the following page.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****Actuarial Assumptions – PERS (Cont'd)**

<u>Asset Class</u>	<u>Measurement Date</u> <u>June 30, 2020</u>		<u>Measurement Date</u> <u>June 30, 2019</u>	
	<u>Target</u> <u>Allocation</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>	<u>Target</u> <u>Allocation</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
High Yield	2.00%	5.95%	2.00%	5.37%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Assets	3.00%	9.73%	2.50%	9.31%
Real Estate	8.00%	9.56%	7.50%	8.33%
U.S. Equity	27.00%	7.71%	28.00%	8.26%
Non-U.S. Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
Private Equity	13.00%	11.42%	12.00%	10.85%
	<u>100.00%</u>		<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 2.21% as of the June 30, 2020 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 would be based on 78% of the actuarially determined contributions for the State 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 5: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****Actuarial Assumptions – PERS (Cont'd)**

**Discount Rate (Cont'd)** - The discount rate used to measure the total pension liability at June 30, 2019 was 6.28%. The single blended discount rate as based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, 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 pension plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current pension plan members through 2057. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of Authority's Proportionate Share of Net Pension Liability to Changes in the Discount Rate – PERS**

The following presents the Authority's proportionate share of the net pension liability at June 30, 2020, the pension plan's 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:

	<u>December 31, 2020</u>		
	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Authority's Proportionate Share of the Net Pension Liability	<u>\$ 27,504,074</u>	<u>\$ 19,723,991</u>	<u>\$ 16,945,563</u>

The following presents the Authority's proportionate share of the net pension liability at June 30, 2019, the pension plan's measurement date, calculated using a discount rate of 6.28%, 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:

	<u>December 31, 2019</u>		
	<b>1% Decrease <u>(5.28%)</u></b>	<b>Current Discount Rate <u>(6.28%)</u></b>	<b>1% Increase <u>(7.28%)</u></b>
Authority's Proportionate Share of the Net Pension Liability	<u>\$ 29,755,274</u>	<u>\$ 21,656,050</u>	<u>\$ 18,554,572</u>

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****Pension Plan Fiduciary Net Position - PERS**

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.

**Early Retirement Incentive Program**

Legislation enacted in 2003 made early retirement available through Early Retirement Incentive Programs. This program, which is subject to the approval of the Authority's governing body (within a limited period of time), was available to employees who met certain minimum requirements. The governing body of the Authority approved the program on June 21, 2004 for eligible members of the PERS. Six employees applied for early retirement during the 2003 program. Program costs are billed annually by the Division of Pensions. As of December 31, 2020 and 2019, the accrued liability to the PERS for the 2003 program was \$58,379 and \$116,434 payable in annual installments of \$56,655 to April 1, 2021.

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

The Plan provides medical and prescription drug benefits 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.



**Note 5: 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)**

**Plan Description and Benefits Provided (Cont'd)** - 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 \$175,480 and \$160,831, for the years ended December 31, 2020 and December 31, 2019, respectively. These amounts represent 2.12% and 1.87% of the Authority's covered payroll. During the years ended December 31, 2020 and December 31, 2019, 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, 2020, the Authority's proportionate share of the net OPEB liability was \$24,801,501.

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

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, 2019 through June 30, 2020. For the June 30, 2020 measurement date, the Authority's proportion was .138196%, which was an increase of .005854% from its proportion measured as of the June 30, 2019 measurement date.

At December 31, 2019, the Authority's proportionate share of the net OPEB liability was \$17,927,141.

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

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, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the Authority's proportion was .132342%, which was a decrease of .008635% from its proportion measured as of the June 30, 2018 measurement date.

**OPEB (Benefit) Expense** - At December 31, 2020, the Authority's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date, is (\$49,822).

At December 31, 2019, the Authority's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date, is (\$578,986).

**Note 5: 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** - At December 31, 2020 and 2019, the Authority had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
	<u>Measurement Date</u>		<u>Measurement Date</u>	
	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>
Differences between Expected and Actual Experience	\$ 653,252	\$ 4,618,502	\$ -	\$ 5,242,595
Changes of Assumptions	3,709,524	5,515,471	-	6,352,980
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	15,750	-	14,767	-
Changes in Proportion	2,491,798	3,218,905	1,615,511	3,893,913
Authority Contributions Subsequent to the Measurement Date	89,870	-	79,638	-
	<u>\$ 6,960,194</u>	<u>\$ 13,352,878</u>	<u>\$ 1,709,916</u>	<u>\$ 15,489,488</u>

Deferred outflows of resources in the amount of \$89,870 was the result of the Authority contributions subsequent to the Plan's measurement date of June 30, 2020. This amount will be included as a reduction of the Authority's net OPEB liability during the year ending December 31, 2021. Deferred outflows of resources in the amount of \$79,638 was the result of the Authority contributions subsequent to the Plan's measurement date of June 30, 2019. This amount will be included as a reduction of the Authority's net OPEB liability during the year ending December 31, 2020.

**Note 5: 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)**

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>
Differences between Expected and Actual Experience		
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	
Changes in Proportion		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05
June 30, 2020	7.87	7.87

**Note 5: 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)** - 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, 2021	\$ (1,579,250)
December 31, 2022	(1,580,459)
December 31, 2023	(1,582,413)
December 31, 2024	(1,584,198)
December 31, 2025	(745,407)
Thereafter	589,173
	\$ (6,482,554)

**Actuarial Assumptions**

The actuarial valuation at June 30, 2020 and 2019 used the following actuarial assumptions, applied to all periods in the measurement:

	<u>Measurement Date</u> <u>June 30, 2020</u>	<u>Measurement Date</u> <u>June 30, 2019</u>
Inflation Rate	2.50%	2.50%
Salary Increases *		
PERS:		
Initial Fiscal Year Applied:		
Rate Through 2026	2.00% to 6.00%	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%	3.00% to 7.00%

\* Salary increases are based on years of service within the respective plan

For the June 30, 2020 measurement date, mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2020. For the June 30, 2019 measurement date, mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2019

Actuarial assumptions used in the June 30, 2019 and June 30, 2018 valuation were based on the results of the PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members in both the June 30, 2020 and June 30, 2019 measurement dates are considered to participate in the Plan upon retirement.

**Note 5: 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)**

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) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pays interest to participants on a monthly basis.

**Discount Rate** - The discount rate used to measure the OPEB liability at June 30, 2020 and 2019 were 2.21% and 3.50%, respectively. 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.

**Health Care Trend Assumptions** – For the June 30, 2020 measurement date, the trend rate for pre-Medicare medical benefits, is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

For the June 30, 2019 measurement date, the trend rate for pre-Medicare medical benefits is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

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

The net OPEB liability as of June 30, 2020, the Plan's measurement date, for the Authority calculated using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	<b>December 31, 2020</b>		
	<b>1% Decrease <u>(1.21%)</u></b>	<b>Current Discount Rate <u>(2.21%)</u></b>	<b>1% Increase <u>(3.21%)</u></b>
Authority's Proportionate Share of the Net OPEB Liability	\$ 29,320,614	\$ 24,801,501	\$ 21,224,212

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****Sensitivity of the Net OPEB Liability to Changes in the Discount Rate (Cont'd)**

The net OPEB liability as of June 30, 2019, the Plan's measurement date, for the Authority calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>December 31, 2019</b>		
	<b>1% Decrease <u>(2.50%)</u></b>	<b>Current Discount Rate <u>(3.50%)</u></b>	<b>1% Increase <u>(4.50%)</u></b>
Authority's Proportionate Share of the Net OPEB Liability	\$ 20,728,335	\$ 17,927,141	\$ 15,650,800

**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, 2020, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<b>December 31, 2020</b>		
	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Authority's Proportionate Share of the Net OPEB Liability	\$ 20,523,268	\$ 24,801,501	\$ 30,403,906

The Authority's proportionate share of the net OPEB liability as of June 30, 2019, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<b>December 31, 2019</b>		
	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Authority's Proportionate Share of the Net OPEB Liability	\$ 15,128,298	\$ 17,927,141	\$ 21,497,537

**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.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan****General Information about the OPEB Plan****Plan Description and Benefits Provided**

The Authority has established a postemployment benefit plan to assist retirees in paying for medical coverage. 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, 2020 and 2019, the following employees were covered by the benefit terms:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	43	54
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments		
Active Employees	<u>104</u>	<u>104</u>
	<u>147</u>	<u>158</u>

**Contributions**

Employees are not required to contribute to the plan.

**Total OPEB Liability**

The Authority's total OPEB liability of \$2,612,131 as of December 31, 2020 and \$2,659,506 as of December 31, 2019 was measured as of December 31, 2020 and December 31, 2019, respectively. The liabilities were determined by an actuarial valuation as of December 31, 2019 and December 31, 2018, respectively.

**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%
Salary Increases	2.75%
Discount Rate	2.12%
Healthcare Cost Trend Rates:	
Medical	8.00% decreasing to 3.53% ultimate
Prescription	8.00% decreasing to 3.33% ultimate
Dental & Vision	3.53%

The discount rate was based on the Bond Buyer 20-Bond GO Index.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd)**

Mortality rates used were as follows:

- Active Employees – RP-2000 Employee Mortality with Blue Collar Adjustment projected with scale AA to 2020.
- Non-disabled Retiree – RP-2000 Healthy Annuitant projected with scale AA to 2020.
- Disabled Retiree – RP-2000 Disabled Retiree Mortality projected with scale AA to 2020.

Termination rates were based on a 30% for male employees and 25% for female employees with less than 1 year of service grading down to 0.00% for employees with more than 10 years of service.

An experience study was not performed on the actuarial assumptions used in the December 31, 2019 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, 2020 and 2019, respectively:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Balance at Beginning of Year	\$ 2,569,506	\$ 2,369,623
Changes for the Year:		
Service Cost	\$ 190,769	\$ 168,012
Interest Cost	69,750	94,221
Benefit Payments	(238,858)	(312,572)
Changes of Assumptions	139,805	(60,379)
Differences Between Expected and Actual Demographic Experience	<u>(118,841)</u>	<u>310,601</u>
Net Changes	<u>42,625</u>	<u>199,883</u>
Balance at End of Year	<u>\$ 2,612,131</u>	<u>\$ 2,569,506</u>

Changes in Benefits Terms – There were no significant changes of benefit terms at December 31, 2020.

Changes in Assumptions – For 2020, the discount rate changed from 2.74% as of December 2019 to 2.12% as of December 31, 2020. The future healthcare costs also decreased.



**Note 5: 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:

	<b>December 31, 2020</b>		
	<b>1.00% Decrease <u>(1.12%)</u></b>	<b>Current Discount Rate <u>(2.12%)</u></b>	<b>1.00% Increase <u>(3.12%)</u></b>
Total OPEB Liability	<u>\$ 2,842,162</u>	<u>\$ 2,612,131</u>	<u>\$ 2,409,670</u>
	<b>December 31, 2019</b>		
	<b>1.00% Decrease <u>(1.74%)</u></b>	<b>Current Discount Rate <u>(2.74%)</u></b>	<b>1.00% Increase <u>(3.74%)</u></b>
Total OPEB Liability	<u>\$ 2,768,733</u>	<u>\$ 2,569,506</u>	<u>\$ 2,393,803</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:

	<b>December 31, 2020</b>		
	<b>1.00% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1.00% Increase</b>
Total OPEB Liability	<u>\$ 2,338,892</u>	<u>\$ 2,612,131</u>	<u>\$ 2,937,797</u>
	<b>December 31, 2019</b>		
	<b>1.00% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1.00% Increase</b>
Total OPEB Liability	<u>\$ 2,338,927</u>	<u>\$ 2,569,506</u>	<u>\$ 2,841,265</u>

**Note 5: 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**

For the years ended December 31, 2020 and 2019, the Authority recognized OPEB (benefit) expense of \$329,981 and \$328,201, respectively. At December 31, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 116,504	\$ 107,809	\$ -	\$ 155,676
Differences Between Expected and Actual Demographic Experience	289,782	99,034	403,617	-
	<u>\$ 406,286</u>	<u>\$ 206,843</u>	<u>\$ 403,617</u>	<u>\$ 155,676</u>

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

<u>Year Ending December 31,</u>	
2021	\$ 69,462
2022	69,457
2023	53,536
2024	3,494
2025	3,494
Thereafter	-
	<u>\$ 199,443</u>

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Postemployment Benefits Other Than Pensions (OPEB) – Summary of State and Authority Plans**

At December 31, 2020 and 2019, the Authority reported deferred outflows of resources, net OPEB liability and deferred inflows of resources related to OPEB from the following sources:

	<u>Balance</u> <u>December 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 2020</u>
<b>Deferred Outflows of Resources - Related to OPEB</b>				
State Plan	\$ 1,709,916	\$ 6,773,131	\$ (1,522,852)	\$ 6,960,194
Authority Plan	403,617	139,805	(137,136)	406,286
<b>Total Deferred Outflows of Resources - Related to OPEB</b>	<u>\$ 2,113,533</u>	<u>\$ 6,912,936</u>	<u>\$ (1,659,988)</u>	<u>\$ 7,366,480</u>
<b>Net OPEB Liability</b>				
State Plan	\$ 17,927,141	\$ 22,309,992	\$ (15,435,632)	\$ 24,801,501
Authority Plan	2,569,506	400,324	(357,699)	2,612,131
<b>Total Net OPEB Liability</b>	<u>\$ 20,496,647</u>	<u>\$ 22,710,316</u>	<u>\$ (15,793,331)</u>	<u>\$ 27,413,632</u>
<b>Deferred Inflows of Resources - Related to OPEB</b>				
State Plan	\$ 15,489,488	\$ 885,855	\$ (3,022,465)	\$ 13,352,878
Authority Plan	155,676	118,841	(67,674)	206,843
<b>Total Deferred Inflows of Resources - Related to OPEB</b>	<u>\$ 15,645,164</u>	<u>\$ 1,004,696</u>	<u>\$ (3,090,139)</u>	<u>\$ 13,559,721</u>
<b>Deferred Outflows of Resources - Related to OPEB</b>				
	<u>Balance</u> <u>December 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 2019</u>
State Plan	\$ 1,890,295	\$ 85,138	\$ (265,517)	\$ 1,709,916
Authority Plan	206,851	310,601	(113,835)	403,617
<b>Total Deferred Outflows of Resources - Related to OPEB</b>	<u>\$ 2,097,146</u>	<u>\$ 395,739</u>	<u>\$ (379,352)</u>	<u>\$ 2,113,533</u>
<b>Net OPEB Liability</b>				
State Plan	\$ 22,086,328	\$ 13,737,087	\$ (17,896,274)	\$ 17,927,141
Authority Plan	2,369,623	572,834	(372,951)	2,569,506
<b>Total Net OPEB Liability</b>	<u>\$ 24,455,951</u>	<u>\$ 14,309,921</u>	<u>\$ (18,269,225)</u>	<u>\$ 20,496,647</u>
<b>Deferred Inflows of Resources - Related to OPEB</b>				
State Plan	\$ 12,685,795	\$ 5,367,247	\$ (2,563,554)	\$ 15,489,488
Authority Plan	143,164	60,379	(47,867)	155,676
<b>Total Deferred Inflows of Resources - Related to OPEB</b>	<u>\$ 12,828,959</u>	<u>\$ 5,427,626</u>	<u>\$ (2,611,421)</u>	<u>\$ 15,645,164</u>

**Note 6: INTERGOVERNMENTAL AGREEMENTS**

**Shared Service Agreement – County of Camden**

The Authority and the County of Camden (“County”) signed an agreement dated October 19, 2015, for the purpose of the Authority to provide funding to the County to be utilized for the repair and/or replacement of certain County infrastructure projects in accordance with the provisions of N.J.S.A. 40:14B-40.2. The term of the agreement is January 1, 2016 through the completion of the program or December 31, 2025, whichever comes first. A revised list of projects was approved by the Director of Local Government Services, Department of Community Affairs, State of New Jersey (“DLGS”) in accordance with N.J.S.A. 40:14B-40.2. This statute established a pilot program that permits certain county utility authorities, upon approval by DLGS to fund such infrastructure improvements within their County. During the year ended December 31, 2020 and 2019, the Authority paid \$15,000,000 and \$10,000,000, respectively, to the County under this agreement.

**Note 7: COMMITMENTS**

The Authority had several outstanding or planned construction projects as of December 31, 2020. These projects are evidenced by contractual commitments with contractors and include:

<u>Project</u>	<u>Awarded</u>	<u>Commitments Remaining</u>
Combined Heat and Power	Camden Bioenergy	\$ 4,965,480
Sludge Digester	Northeast Remsco	170,000
Junction Chamber	Northeast Remsco	19,999
Raw Sewage Pump Upgrade	Eastern Environmental	2,561,133
Berlin Force Main Rehabilitation	Mount Construction	909,017
Dredging Newton Lake	Mobile Dredging	<u>20,927,230</u>
		<u>\$ 29,552,859</u>

**Change Orders to Contracts**

During the year 2020, the Authority had contracts that resulted in the total amount of change orders executed for the project to exceed the originally awarded contract price by more than 20 percent. The resolution numbers and project descriptions are as follows:

<u>Resolution No.</u>	<u>Project Description</u>
R-20:1-10 & 4-78	Construction management services for wet weather upgrades to Camden’s combined sewer system
R-20:4-76	Design engineering services for dredging of the Newton Lake
R-20:6-98	Construction management services for sludge digestion and CHP project
R-20:5-90	Construction management services for wet weather upgrades
R-20:9-150	Design engineering during construction of the raw sewage pump upgrade project
R-20:9-175	Annual general engineering services needed for the Delaware #1 WTP
R-20:9-147	Annual general engineering services related to Engineer of Record
R-20:7-109	Stormwater management plan

**Note 7: COMMITMENTS (CONT'D)****Change Orders to Contracts (Cont'd)**

N.J.A.C. 5:30-11.3 (a) 9 and 10 states that the total number of change orders executed for a particular contract shall not cause the originally awarded contract price to be exceeded by more than twenty percent unless otherwise authorized, and that if proposed change orders do exceed that twenty percent limitation, no work shall be performed or purchases made until the procedures of N.J.A.C. 5:30-11.9 have been completed.

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent limitation. The Authority has complied with all provisions of N.J.A.C. 5:30-11.9.

**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 a member of the Camden County Insurance Commission (the "Commission"), established on January 21, 2010, by a Camden County Board resolution pursuant to N.J.S.A. 40A:10-6. The Commission is a public entity risk pool serving Camden County, Camden County College, and Camden County Board of Social Services, Camden County Utility Authority, Camden County Health Services, Camden County Pollution Control Financing Authority, Camden County Improvement Authority, and Camden County Department of Police Services. The Commission provides the following insurance: Workers' Compensation including Employers' Liability, General Liability other than motor vehicles, Property damage other than motor vehicles, Automobile Liability and damage Public Officials Liability, Legal/Employment Practices Liability, Crime, Pollution Liability, and Medical Professional Liability Employed Lawyers Liability.

Contributions to the Commission, including reserves for contingencies, are payable installments that are established by the Commission and are based on assumptions determined by each Commission's actuaries. The Commissioner of Insurance of the State of New Jersey may order additional assessments imposed on each member to supplement each Commission's claim, loss retention or administrative accounts to assure the payment of each Commission's obligations.

The Commission's publish their own financial reports each year, which may be obtained from:

Camden County Insurance Commission  
9 Campus Drive – Suite 16  
Parsippany, NJ 07054

New Jersey Counties Excess Joint Insurance Fund  
9 Campus Drive – Suite 16  
Parsippany, NJ 07054

**Note 9: RISK MANAGEMENT (CONT'D)**

The Authority is partially self-insured for workers' compensation through a joint insurance program with the County of Camden. The County submits invoices to the Authority for their share of the workers' compensation costs incurred for the year. The County has established this trust fund and as of December 31, 2020 and 2019, the balance in the Reserve for Workers' Compensation Insurance Trust Fund was \$4,122,364 and \$4,176,903, respectively. The 2021 County Budget includes an appropriation in the amount of \$500,000 to provide for future claims.

**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**

**COVID-19** - The management of the Authority has evaluated its financial statements for subsequent events through the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the Authority. While the impact that COVID-19 will have is currently expected to be temporary, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

**NJIB Permanent Financing** – On June 10, 2021, the New Jersey Infrastructure Bank issued \$122,500,000 Environmental Infrastructure Bonds, Series 2021A-1 (Green Bonds) for the benefit of the "Series 2021A-1 Borrowers". The Authority is one of the "Series 2021A-1 Borrowers" and received permanent financing on several interim financing loans as follows:

	<u>I-Bank Loan Amount</u>	<u>Fund Loan Amount</u>
<b>S340640-16/22/23/24</b>	\$4,595,000	\$14,126,023
<b>S340640-17/18</b>	<u>17,770,000</u>	<u>40,318,114</u>
	<u>\$22,365,000</u>	<u>\$54,444,137</u>

The trust loan amount carries interest rates from 2% to 5%. The fund loan amount is interest free with semi-annual principal payments on February 1 and August 1 each year until final maturity on August 1, 2050.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>Measurement Date Ending June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net Pension Liability	0.1209512801%	0.1201879785%	0.1121747151%	0.1157735181%
Authority's Proportionate Share of the Net Pension Liability	\$ 19,723,991	\$ 21,656,050	\$ 22,086,642	\$ 26,950,224
Authority's Covered Payroll (Plan Measurement Period)	\$ 8,666,376	\$ 8,546,900	\$ 7,810,320	\$ 8,072,408
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	227.59%	253.38%	282.79%	333.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Authority's Proportion of the Net Pension Liability	0.1201912615%	0.1119680574%	0.1107869940%	0.1067529933%
Authority's Proportionate Share of the Net Pension Liability	\$ 35,597,204	\$ 25,134,585	\$ 20,742,355	\$ 20,402,618
Authority's Covered Payroll (Plan Measurement Period)	\$ 8,089,364	\$ 7,714,388	\$ 7,438,099	\$ 7,312,844
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	440.05%	325.81%	278.87%	279.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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



**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**

Required Supplementary Information  
 Schedule of the Authority's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Eight Years

	<b>Year Ended December 31,</b>			
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Authority's Contractually Required Contribution	\$ 1,323,146	\$ 1,169,075	\$ 1,115,776	\$ 1,072,518
Authority's Contribution in Relation to the Contractually Required Contribution	(1,323,146)	(1,169,075)	(1,115,776)	(1,072,518)
Authority's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll (Calendar Year)	\$ 8,266,871	\$ 8,584,163	\$ 8,600,601	\$ 7,958,244
Authority's Contributions as a Percentage of its Covered Payroll	16.01%	13.62%	12.97%	13.48%
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Authority's Contractually Required Contribution	\$ 1,067,762	\$ 962,625	\$ 913,312	\$ 804,362
Authority's Contribution in Relation to the Contractually Required Contribution	(1,067,762)	(962,625)	(913,312)	(804,362)
Authority's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll (Calendar Year)	\$ 8,052,123	\$ 8,003,763	\$ 7,738,097	\$ 7,479,662
Authority's Contributions as a Percentage of its Covered Payroll	13.26%	12.03%	11.80%	10.75%

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.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Required Supplementary Information  
 Schedule of the Authority's Proportionate Share of the Net OPEB Liability -  
 State Health Benefits Local Government Retired Employees Plan  
 Last Four Plan Years

	<b>Measurement Date Ended June 30,</b>			
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Authority's Proportion of the Net OPEB Liability	0.138196%	0.132342%	0.140977%	0.131533%
Authority's Proportionate Share of the Net OPEB Liability	\$ 24,801,501	\$ 17,927,141	\$ 22,086,328	\$ 26,853,499
Authority's Covered Payroll (Plan Measurement Period)	\$ 8,429,527	\$ 8,630,909	\$ 8,378,371	\$ 7,884,195
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	294.22%	207.71%	263.61%	340.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	1.98%	1.97%	1.03%

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.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Required Supplementary Information  
 Schedule of the Authority's OPEB Contributions -  
 State Health Benefits Local Government Retired Employees Plan  
 Last Four Years

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Required Contributions	\$ 175,480	\$ 160,831	\$ 291,047	\$ 332,198
Authority's Contributions in Relation to the Required Contribution	<u>(175,480)</u>	<u>(160,831)</u>	<u>(291,047)</u>	<u>(332,198)</u>
Authority's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll (Calendar Year)	\$ 8,266,871	\$ 8,584,163	\$ 8,600,601	\$ 7,958,244
Authority's Contributions as a Percentage of Covered Payroll	2.12%	1.87%	3.38%	4.17%

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.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Required Supplementary Information  
 Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios - Authority Plan  
 Last Three Years

<b>Total OPEB Liability</b>	<b>Year Ended December 31,</b>		
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Service Cost	\$ 190,769	\$ 168,012	\$ 178,346
Interest Cost	69,750	94,221	79,321
Benefit Payments	(238,858)	(312,572)	(367,039)
Differences Between Expected and Actual Experience	(118,841)	310,601	258,565
Actuarial Assumption Changes	139,805	(60,379)	(178,955)
	42,625	199,883	(29,762)
Net Change in Total OPEB Liability			
Total OPEB Liability - Beginning of Year	2,569,506	2,369,623	2,399,385
Total OPEB Liability - End of Year	\$ 2,612,131	\$ 2,569,506	\$ 2,369,623
Covered-Employee Payroll	\$ 8,666,376	\$ 8,546,900	\$ 7,810,000
Total OPEB Liability as a Percentage of Covered-Employee Payroll	30.14%	30.06%	30.34%

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.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Notes to Required Supplementary Information  
For the Fiscal Years Ended December 31, 2020 and 2019

---

**Note 1: POSTEMPLOYMENT BENEFITS - PENSION**

**Public Employees' Retirement System (PERS)**

***Changes in Benefit Terms:***

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

***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>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

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>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Notes to Required Supplementary Information (Cont'd)  
For the Fiscal Years Ended December 31, 2020 and 2019

---

**Note 2: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)**

**State Health Benefits Local Government Retired Employees Plan**

***Change in Benefit Terms:***

The actuarial valuation as of June 30, 2019 included updates to the provisions of Chapter 48, along with newly adopted changes in different levels of subsidy for employers.

***Changes in Assumptions:***

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	2.21%	2018	3.87%
2019	3.50%	2017	3.58%

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, repealment of the excise tax, and updated mortality improvement assumptions.

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023 the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.50% for all future years. For prescription drug benefits, the initial trend rate is 7.00% decreasing to a 4.50% long-term trend rate after seven years.

On October 21, 2020, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2020. The MP-2020 scale reflects more recent mortality data for the U.S. population.

**Authority Plan**

***Change in Benefit Terms:***

None.

***Changes in Assumptions:***

For the December 31, 2020 measurement, the discount rate was updated from 2.74% to 2.12% to reflect the most recent 20-year municipal bond rate expectation. Claims and trends were updated to reflect recent experience and industry expectations.

## **SUPPLEMENTARY SCHEDULES**

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Combining Schedule of Revenues, Expenses and Changes in Net Position  
Restricted and Unrestricted Accounts  
For the Year Ended December 31, 2020

	<u>Unrestricted</u>		<u>R e s t r i c t e d</u>			<u>Total</u>
	<u>Revenue</u>	<u>General Reserve</u>	<u>Debt Service</u>	<u>Debt Service Reserve</u>	<u>Renewal and Replacement</u>	
Operating Revenues	\$ 92,955,061					\$ 92,955,061
Operating Expenses	45,101,541	\$ 25,711,493				70,813,034
Operating Income (Loss)	47,853,520	(25,711,493)	\$ -	\$ -	\$ -	22,142,027
Non-operating Revenue (Expenses):						
Investment Income	96,706	8		107,000	16,170	219,884
Grant Revenues	59,413					59,413
Interest Expense on Long Term Debt			(801,838)			(801,838)
Bond Issuance Costs		(443,947)				(443,947)
Payment of Shared Services Agreement to County of Camden		(15,000,000)				(15,000,000)
Amortization of Pre-operating Costs		(7,019)				(7,019)
Loss on Disposal of Capital Assets		(7,918)				(7,918)
Cancellation of Loan Principal Forgiveness		(50,242)				(50,242)
Community Service Projects		(10,571)				(10,571)
Total Non-operating Revenue (Expenses)	156,119	(15,519,689)	(801,838)	107,000	16,170	(16,042,238)
Income (Loss) Before Transfers	48,009,639	(41,231,182)	(801,838)	107,000	16,170	6,099,789
Transfers	(37,673,091)	36,908,423	801,838	(107,000)	69,830	-
Change in Net Position	10,336,548	(4,322,759)			86,000	6,099,789
Total Net Position, January 1	(36,357,497)	307,838,254			7,367,000	278,847,757
Total Net Position, December 31	\$ (26,020,949)	\$ 303,515,495	\$ -	\$ -	\$ 7,453,000	\$ 284,947,546
Analysis of Balance, December 31:						
Net Investment in Capital Assets		\$ 303,515,495				\$ 303,515,495
Restricted for Bond Resolution Covenants					\$ 7,453,000	7,453,000
Unrestricted	\$ (26,020,949)					(26,020,949)
	\$ (26,020,949)	\$ 303,515,495	\$ -	\$ -	\$ 7,453,000	\$ 284,947,546



## CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Cash Receipts, Cash Disbursements  
and Changes in Cash and Cash Equivalents  
For the Year Ended December 31, 2020

	<u>Unrestricted</u>	<u>Restricted</u>			<u>Total</u>
	<u>Operating Accounts</u>	<u>Debt Service Reserve</u>	<u>Renewal and Replacement</u>	<u>Construction</u>	
Cash and Cash Equivalents -- January 1, 2020	\$ 22,523,434	\$ 1,099,567	\$ 8,120,400	\$ 9,649,908	\$ 41,393,309
Cash Receipts:					
User Charges	87,179,763				87,179,763
Investment Income	107,584	107,912	21,781	8	237,285
Proceeds from Issuance of Long Term Debt, Net of Cash Held by Fiscal Agents		50,878,064			50,878,064
Non-operating Revenues	59,413				59,413
Transfer from Unrestricted Accounts	283,628		109,966	37,935,667	38,329,261
Connection Fees and Other Revenues	11,408,485				11,408,485
Total Cash Receipts and Investments Available	<u>121,562,307</u>	<u>52,085,543</u>	<u>8,252,147</u>	<u>47,585,583</u>	<u>229,485,580</u>
Cash Disbursements:					
Operating Expenditures	47,229,781				47,229,781
Debt Principal Payments		10,301,300			10,301,300
Interest Paid		2,044,371			2,044,371
Bond Issuance Costs		443,947			443,947
Payment of Shared Services Agreement to County of Camden		15,000,000			15,000,000
Capital Expenditures, Net of Change in Retainages				28,717,553	28,717,553
Transfer to Restricted Accounts	38,045,633	283,628			38,329,261
Total Cash Disbursements	<u>85,275,414</u>	<u>50,983,445</u>	<u>-</u>	<u>28,717,553</u>	<u>164,976,412</u>
Cash and Cash Equivalents -- December 31, 2020	<u>\$ 36,286,893</u>	<u>\$ 1,102,098</u>	<u>\$ 8,252,147</u>	<u>\$ 18,868,030</u>	<u>\$ 64,509,168</u>

**CAMDEN COUNTY 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, 2020

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable-- (Unfavorable)</u>
<b>Operating Revenues:</b>				
User Charges and Fees	\$ 85,210,360	\$ 85,210,360	\$ 84,732,457	\$ (477,903)
Connection Fees	2,401,335	2,401,335	5,962,664	3,561,329
Other Operating Revenues	2,303,888	2,303,888	2,259,940	(43,948)
<b>Total Operating Revenues</b>	<b>89,915,583</b>	<b>89,915,583</b>	<b>92,955,061</b>	<b>3,039,478</b>
<b>Non-Operating Revenues:</b>				
Interest on Investments and Deposits	12,000	12,000	219,884	207,884
Grant Revenues			59,413	59,413
<b>Total Non-Operating Revenues</b>	<b>12,000</b>	<b>12,000</b>	<b>279,297</b>	<b>267,297</b>
<b>Total Budget Revenues</b>	<b>89,927,583</b>	<b>89,927,583</b>	<b>93,234,358</b>	<b>3,306,775</b>
<b>Operating Appropriations:</b>				
<b>Administration:</b>				
Salary & Wages	2,514,047	2,514,047	2,297,114	216,933
Fringe Benefits	2,902,787	2,902,787	2,316,703	586,084
Other Expenses	5,359,852	5,359,852	4,548,361	811,491
<b>Total Administration</b>	<b>10,776,686</b>	<b>10,776,686</b>	<b>9,162,178</b>	<b>1,614,508</b>
<b>Cost of Providing Services:</b>				
Salary & Wages	8,794,746	8,794,746	7,712,425	1,082,321
Fringe Benefits	3,167,764	3,167,764	2,374,026	793,738
Other Expenses	28,141,978	28,141,978	26,535,804	1,606,174
<b>Total Cost of Providing Services</b>	<b>40,104,488</b>	<b>40,104,488</b>	<b>36,622,255</b>	<b>3,482,233</b>
<b>Total Principal Payments on Debt Service</b>	<b>11,834,286</b>	<b>11,834,286</b>	<b>10,301,300</b>	<b>1,532,986</b>
<b>Total Operating Appropriations</b>	<b>62,715,460</b>	<b>62,715,460</b>	<b>56,085,733</b>	<b>6,629,727</b>
<b>Non-Operating Appropriations:</b>				
Renewal and Replacement Reserve	8,000,000	8,000,000		8,000,000
Shared Services Agreement County of Camden	15,000,000	15,000,000	15,000,000	
Interest Payments	1,608,104	1,608,104	801,838	806,266
<b>Total Non-Operating Appropriations</b>	<b>24,608,104</b>	<b>24,608,104</b>	<b>15,801,838</b>	<b>8,806,266</b>
<b>Total Budget Appropriations</b>	<b>87,323,564</b>	<b>87,323,564</b>	<b>71,887,571</b>	<b>15,435,993</b>
<b>Excess Revenues over Expenses and Other Costs</b>	<b>\$ 2,604,019</b>	<b>\$ 2,604,019</b>	<b>\$ 21,346,787</b>	<b>\$ 18,742,768</b>

(Continued)

**CAMDEN COUNTY 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, 2020

---

Adjustments to Reconcile Excess Revenues over Expenses and	
Other Costs to GAAP Basis Operating Income:	
Excess Revenues over Expenses and Other Costs (Schedule 3)	\$ 21,346,787
Less: Investment Income	(219,884)
Less: Grant Revenues	(59,413)
Less: Depreciation	(25,711,493)
Less: GASB 68 Pension Expense	261,487
Add: Shared Services Agreement Payment to the County of Camden	15,000,000
Add: GASB 75 OPEB Expense Adjustment	421,405
Add: Principal Payments on Bonds	10,301,300
Add: Interest Payments	<u>801,838</u>
Total Operating Income (Exhibit B)	<u><u>\$ 22,142,027</u></u>

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Analysis of Investment Income Receivable  
 For the Year Ended December 31, 2020

	<u>Balance Jan. 1, 2020</u>	<u>Investment Income Earned</u>	<u>Investment Income Collected</u>	<u>Balance Dec. 31, 2020</u>
Unrestricted Assets:				
Revenue Account	\$ 11,471	\$ 96,706	\$ 107,584	\$ 593
Restricted Assets:				
Debt Service Reserve Account	945	107,000	107,912	33
Renewal and Replacement Account	5,858	16,170	21,781	247
Construction Account		8	8	
	<u>6,803</u>	<u>123,178</u>	<u>129,701</u>	<u>280</u>
	<u>\$ 18,274</u>	<u>\$ 219,884</u>	<u>\$ 237,285</u>	<u>\$ 873</u>

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Revenue Bonds  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2020</u>	<u>Debt Issued</u>	<u>Paid 2020</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>						
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2006A - Winslow	06/22/06	\$ 3,383,431				\$ 298,722	\$ -	\$ 298,722	\$ -	\$ -
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2006A - Odor Control	06/22/06	3,088,956				280,949	-	280,949	-	-
County Agreement Sewer Revenue Bonds, Series 2006A	10/11/06	5,000,000	07/15/21	\$ 300,000	4.05%					
			07/15/22	315,000	4.05%					
			07/15/23	325,000	4.05%					
			07/15/24	340,000	4.05%					
			07/15/25	355,000	4.05%					
			07/15/26	365,000	4.05%					
				<u>\$ 2,000,000</u>		2,290,000	-	290,000	-	2,000,000
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2010 (Refunding 2003A)	08/18/10	1,083,972				402,058	-	96,265	305,793	-
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2010 (Partial Refunding 2006A)	08/18/10	609,100				609,100	-	-	609,100	-
NJEIT Sewer Wastewater Treatment Bonds, Series 2012A (CW) (640-12)	05/03/12	1,100,000	08/01/21	<u>\$ 55,000</u>	5.00%	830,000	-	55,000	720,000	55,000
NJEIT Sewer Wastewater Treatment Bonds, Series 2012A (PF) (CW) (640-10)	05/03/12	14,375,000	08/01/21	<u>\$ 755,000</u>	5.00%	11,255,000	-	720,000	9,780,000	755,000
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2012B-R (Partial Refunding 2006A)	08/14/12	5,808,090	08/01/21	\$ 581,949	4.00%					
			08/01/22	604,010	4.00%					
			08/01/23	630,382	4.00%					
			08/01/25	687,611	4.00%					
			08/01/26	713,173	4.00%					
				<u>\$ 3,217,125</u>		3,776,277	-	559,152	-	3,217,125
NJEIT Sewer Wastewater Treatment Bonds, Series 2013A (CW)	05/03/13	1,820,000	09/01/21	\$ 90,000	4.00%					
			09/01/22	95,000	4.00%					
			09/01/23	100,000	5.00%					
			09/01/24	105,000	5.00%					
			09/01/25	110,000	3.00%					
			09/01/26	110,000	3.00%					
			09/01/27	115,000	3.00%					
			09/01/28	120,000	3.00%					
			09/01/29	120,000	3.00%					
			09/01/30	125,000	3.00%					

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Revenue Bonds  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2020</u>	<u>Debt Issued</u>	<u>Paid 2020</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>						
NJEIT Sewer Wastewater Treatment Bonds, Series 2013A (CW) (Cont'd)			09/01/31	\$ 130,000	3.00%					
			09/01/32	130,000	3.00%					
				<u>\$ 1,350,000</u>		<u>\$ 1,435,000</u>	<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ -</u>	<u>\$ 1,350,000</u>
NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-1 (CW) 14	05/28/15	\$ 1,325,000	08/01/21	\$ 55,000	5.00%					
			08/01/22	60,000	5.00%					
			08/01/23	65,000	5.00%					
			08/01/24	65,000	5.00%					
			08/01/25	70,000	5.00%					
			08/01/26	70,000	5.00%					
			08/01/27	75,000	4.00%					
			08/01/28	80,000	4.00%					
			08/01/29	80,000	4.00%					
			08/01/30	85,000	4.00%					
			08/01/31	90,000	4.00%					
			08/01/32	90,000	4.00%					
			08/01/33	95,000	4.00%					
			08/01/34	100,000	4.00%					
							<u>\$ 1,080,000</u>		<u>1,135,000</u>	<u>-</u>
NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-1 (CW) 10-2	05/28/15	355,000	08/01/21	\$ 20,000	5.00%					
			08/01/22	20,000	5.00%					
			08/01/23	20,000	5.00%					
			08/01/24	20,000	5.00%					
			08/01/25	20,000	5.00%					
			08/01/26	20,000	5.00%					
			08/01/27	25,000	4.00%					
			08/01/28	25,000	4.00%					
			08/01/29	25,000	4.00%					
			08/01/30	25,000	4.00%					
			08/01/31	30,000	4.00%					
			08/01/32	30,000	4.00%					
							<u>\$ 280,000</u>		<u>295,000</u>	<u>-</u>
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2015B-R (Refunding 2007A)	11/24/15	1,876,000	08/01/21	\$ 162,000	5.00%					
			08/01/22	170,000	5.00%					
			08/01/23	179,000	5.00%					
			08/01/24	185,000	5.00%					
			08/01/25	195,000	5.00%					
			08/01/26	204,000	5.00%					
			08/01/27	214,000	5.00%					
				<u>\$ 1,309,000</u>		<u>1,460,000</u>	<u>-</u>	<u>151,000</u>	<u>-</u>	<u>1,309,000</u>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Revenue Bonds  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2020</u>	<u>Debt Issued</u>	<u>Paid 2020</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2020</u>							
			<u>Date</u>	<u>Amount</u>													
NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-2 (CW) 06-02	11/24/15	\$ 365,000	08/01/21	\$ 25,000	5.00%	\$ 305,000	\$ -	\$ 20,000	\$ -	\$ 285,000							
			08/01/22	25,000	5.00%												
			08/01/23	25,000	5.00%												
			08/01/24	25,000	5.00%												
			08/01/25	30,000	5.00%												
			08/01/26	30,000	3.00%												
			08/01/27	30,000	3.00%												
			08/01/28	30,000	3.00%												
			08/01/29	30,000	3.00%												
			08/01/30	35,000	3.00%												
					<u>\$ 285,000</u>												
			NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-2 (CW) 14-1	11/24/15	105,000						08/01/21	\$ 5,000	5.00%	90,000	-	5,000	-
08/01/22	5,000	5.00%															
08/01/23	5,000	5.00%															
08/01/24	5,000	5.00%															
08/01/25	5,000	5.00%															
08/01/26	5,000	3.00%															
08/01/27	5,000	3.00%															
08/01/28	5,000	3.00%															
08/01/29	5,000	3.00%															
08/01/30	5,000	3.00%															
08/01/31	5,000	3.00%															
08/01/32	10,000	3.00%															
08/01/33	10,000	3.125%															
08/01/34	10,000	3.125%															
		<u>\$ 85,000</u>															
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2016A-R1 (Refunding 2008A)	05/10/16	3,641,000	08/01/21	\$ 318,000	5.00%	3,349,000	-	305,000	-	3,044,000							
			08/01/22	334,000	5.00%												
			08/01/23	351,000	5.00%												
			08/01/24	371,000	5.00%												
			08/01/25	389,000	5.00%												
			08/01/26	407,000	4.50%												
			08/01/27	427,000	4.50%												
			08/01/28	447,000	4.50%												
					<u>\$ 3,044,000</u>												
			NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2016A-R2 (Refunding 2010B)	05/10/16	3,031,000						08/01/21	\$ 223,000	5.00%				
08/01/22	237,000	5.00%															
08/01/23	246,000	5.00%															
08/01/24	260,000	5.00%															
08/01/25	273,000	5.00%															
08/01/26	287,000	5.00%															
08/01/27	300,000	4.50%															

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Revenue Bonds  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2020</u>	<u>Debt Issued</u>	<u>Paid 2020</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>						
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2016A-R2 (Refunding 2010B) (Cont'd)			08/01/28	\$ 317,000	4.50%					
			08/01/29	329,000	4.50%					
			08/01/30	345,000	4.50%					
				<u>\$ 2,817,000</u>		\$ 3,031,000	\$ -	\$ 214,000	\$ -	\$ 2,817,000
NJEIT Environmental Infrastructure Refunding Bonds, Series 2017A-R2 (Refunding 2010A) (Green Bonds)	01/31/17	\$ 1,356,000	08/01/21	\$ 108,000	4.00%					
			08/01/22	114,000	4.00%					
			08/01/23	118,000	4.00%					
			08/01/24	123,000	4.00%					
			08/01/25	128,000	4.00%					
			08/01/26	133,000	4.00%					
			08/01/27	138,000	4.00%					
			08/01/28	143,000	4.00%					
			08/01/29	148,000	4.00%					
			<u>\$ 1,153,000</u>		1,257,000	-	104,000	-	1,153,000	
NJEIT Environmental Infrastructure Green Bonds, Series 2017A-1	05/25/17	1,370,000	08/01/21	\$ 30,000	5.000%					
			08/01/22	30,000	5.000%					
			08/01/23	35,000	5.000%					
			08/01/24	35,000	5.000%					
			08/01/25	35,000	5.000%					
			08/01/26	40,000	3.000%					
			08/01/27	40,000	3.000%					
			08/01/28	40,000	3.000%					
			08/01/29	40,000	3.000%					
			08/01/30	45,000	3.000%					
			08/01/31	45,000	3.000%					
			08/01/32	45,000	3.000%					
			08/01/33	45,000	3.125%					
			08/01/34	50,000	3.250%					
			08/01/35	50,000	3.250%					
			08/01/36	50,000	3.375%					
			08/01/37	55,000	3.375%					
			08/01/38	55,000	3.375%					
			08/01/39	55,000	3.375%					
			08/01/40	60,000	3.375%					
08/01/41	60,000	3.500%								
08/01/42	65,000	3.500%								
08/01/43	65,000	3.500%								
08/01/44	70,000	3.500%								
08/01/45	70,000	3.500%								
08/01/46	75,000	3.500%								
			<u>\$ 1,285,000</u>		1,315,000	-	30,000	-	1,285,000	

(Continued)



**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Revenue Bonds  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2020</u>	<u>Debt Issued</u>	<u>Paid 2020</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>						
NJIB Construction Financing Program, Series 2018 CFP-18-1 (640-17)	01/12/18	\$ 679,929	06/30/21	\$ 679,929		\$ 679,929	\$ -	\$ -	\$ -	\$ 679,929
NJIB Construction Financing Program, Series 2018 CFP-18-2 (640-18)	03/20/18	19,606,824	06/30/21	\$ 19,606,824		19,606,824	-	-	-	19,606,824
NJIB Construction Financing Program, Series 2018 CFP-18-3 (640-22)	12/21/18	516,249	06/30/22	\$ 516,249		516,249	-	-	-	516,249
NJIB Construction Financing Program, Series 2019 CFP-19-1 (640-16)	04/05/19	1,890,000				1,890,000	-	-	1,890,000	-
NJIB Construction Financing Program, Series 2019 CFP-19-2 (640-23)	05/15/19	1,095,000				1,095,000	-	-	1,095,000	-
NJIB Construction Financing Program, Series 2019 CFP-19-3 (640-13)	06/21/19	2,660,000	06/30/22	\$ 2,660,000		2,660,000	-	-	-	2,660,000
NJIB Construction Financing Program, Series 2019 CFP-19-4 (640-24)	06/21/19	985,000	06/30/22	\$ 985,000		985,000	-	-	-	985,000
Environmental Infrastructure Refunding Bonds, Series 2020A-R1 (Refunding 2003A)	06/17/20	295,077	08/01/21	\$ 97,509	3.000%					
			08/01/22	96,931	3.000%					
			08/01/23	100,637	3.000%					
				\$ 295,077						
						-	295,077	-	-	295,077
Environmental Infrastructure Refunding Bonds, Series 2020A-R1 (Refunding 2006A)	06/17/20	562,216	08/01/24	\$ 562,216	3.000%	-	562,216	-	-	562,216
Environmental Infrastructure Refunding Bonds, Series 2020C-R1 (Refunding 2012A - 640-10)	06/17/20	9,293,438	08/01/22	\$ 783,139	4.000%					
			08/01/23	814,219	4.000%					
			08/01/24	847,499	4.000%					
			08/01/25	880,127	4.000%					
			08/01/26	914,399	4.000%					
			08/01/27	952,608	4.000%					
			08/01/28	980,767	4.000%					
			08/01/29	1,008,930	4.000%					
			08/01/30	1,040,510	4.000%					
			08/01/31	1,071,240	4.000%					
				\$ 9,293,438						
						-	9,293,438	-	-	9,293,438
Environmental Infrastructure Refunding Bonds, Series 2020C-R1 (Refunding 2012A - 640-12)	06/17/20	687,872	08/01/22	\$ 59,013	4.000%					
			08/01/23	58,573	4.000%					
			08/01/24	62,783	4.000%					

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Revenue Bonds  
 For the Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Jan. 1, 2020	Debt Issued	Paid 2020	Refunded	Balance Dec. 31, 2020
			Date	Amount						
Environmental Infrastructure Refunding Bonds, Series 2020C-R1 (Refunding 2012A - 640-12) (Cont'd)			08/01/25	\$ 66,928	4.000%					
			08/01/26	66,338	4.000%					
			08/01/27	70,392	4.000%					
			08/01/28	74,234	4.000%					
			08/01/29	75,082	4.000%					
			08/01/30	75,001	4.000%					
			08/01/31	79,528	4.000%					
				<u>\$ 687,872</u>		\$ -	\$ 687,872	\$ -	\$ -	\$ 687,872
NJIB Construction Financing Program, Series 2020 CFP-2020-1 (640-23)	08/26/20	\$ 1,437,500	06/30/22	<u>\$ 1,437,500</u>		-	1,437,500	-	-	1,437,500
NJIB Construction Financing Program, Series 2020 CFP-2020-2 (640-16)	09/25/20	2,119,242	06/30/22	<u>\$ 2,119,242</u>		-	2,119,242	-	-	2,119,242
NJIB Construction Financing Program, Series 2020 CFP-2020-3 (640-26)	09/25/20	11,855,915	06/30/24	<u>\$ 11,855,915</u>		-	11,855,915	-	-	11,855,915
NJIB Construction Financing Program, Series 2020 CFP-2020-4 (640-28)	09/25/20	1,466,778	06/30/24	<u>\$ 1,466,778</u>		-	1,466,778	-	-	1,466,778
NJIB Construction Financing Program, Series 2020 CFP-2020-5 (345040-01)	12/10/20	312,493	06/30/24	<u>\$ 312,493</u>		-	312,493	-	-	312,493
NJIB Construction Financing Program, Series 2020 CFP-2020-6 (640-20)	12/10/20	419,768	06/30/24	<u>\$ 419,768</u>		-	419,768	-	-	419,768
				Grand Total		<u>\$ 60,847,108</u>	<u>\$ 28,450,299</u>	<u>\$ 3,284,088</u>	<u>\$ 14,399,893</u>	<u>\$ 71,613,426</u>
		Refunding Cash					\$ 14,395,345		\$ 14,399,893	
		Cash					14,054,954	\$ 3,284,088		
							<u>\$ 28,450,299</u>	<u>\$ 3,284,088</u>	<u>\$ 14,399,893</u>	
		County Agreement Sewer Revenue Bonds								\$ 2,000,000
		NJEIT Refunding Bonds								22,378,728
		NJWTT / NJEIT Serial Bonds								5,175,000
		NJIB Interim / Construction Financing Program								42,059,698
										<u>\$ 71,613,426</u>

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Loans Payable  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Date</u>	<u>Loan Payments Amount</u>	<u>Balance Jan. 1, 2020</u>	<u>Loans Issued</u>	<u>N.J.D.E.P. Cancellation</u>	<u>Paid 2020</u>	<u>Balance Dec. 31, 2020</u>
2000 NJEIT Loan Series 2000A-2	11/09/00	\$ 2,908,943			\$ 77,870	\$ -	\$ -	\$ 77,870	\$ -
2003 NJEIT Loan Series 2003	11/08/03	3,755,879	02/01/21	\$ 12,763					
			08/01/21	192,191					
			02/01/22	8,726					
			08/01/22	188,153					
			02/01/23	4,464					
			08/01/23	192,436					
				<u>\$ 598,733</u>	803,686	-	-	204,953	598,733
2006 NJEIT Loan Series 2006B	11/09/06	25,351,847	02/01/21	\$ 167,613					
			08/01/21	1,325,784					
			02/01/22	143,725					
			08/01/22	1,347,138					
			02/01/23	118,905					
			08/01/23	1,376,607					
			02/01/24	92,179					
			08/01/24	1,395,122					
			02/01/25	59,605					
			08/01/25	1,128,900					
				<u>\$ 7,155,578</u>	8,648,251	-	-	1,492,673	7,155,578
2007 NJEIT Loan Series 2007A	11/08/07	7,612,500	02/01/21	\$ 60,307					
			08/01/21	390,327					
			02/01/22	52,056					
			08/01/22	399,915					
			02/01/23	43,360					
			08/01/23	409,058					
			02/01/24	35,589					
			08/01/24	410,206					
			02/01/25	27,160					
			08/01/25	419,616					
			02/01/26	18,329					
			08/01/26	428,625					
			02/01/27	9,098					
			08/01/27	437,232					
				<u>\$ 3,140,878</u>	3,586,160	-	-	445,282	3,140,878

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Loans Payable  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Date</u>	<u>Loan Payments Amount</u>	<u>Balance Jan. 1, 2020</u>	<u>Loans Issued</u>	<u>N.J.D.E.P. Cancellation</u>	<u>Paid 2020</u>	<u>Balance Dec. 31, 2020</u>
2008 NJEIT Loan Series 2008A	11/06/08	\$ 16,042,800	02/01/21	\$ 148,024					
			08/01/21	738,267					
			02/01/22	131,793					
			08/01/22	755,764					
			02/01/23	114,634					
			08/01/23	772,333					
			02/01/24	96,547					
			08/01/24	796,406					
			02/01/25	79,050					
			08/01/25	812,638					
			02/01/26	60,711					
			08/01/26	828,026					
			02/01/27	41,528					
			08/01/27	851,004					
			02/01/28	21,291					
			08/01/28	872,927					
2010 NJEIT Loan Series 2010A	03/20/10	2,070,000	02/01/21	\$ 36,964					
			08/01/21	73,929					
			02/01/22	36,964					
			08/01/22	73,929					
			02/01/23	36,964					
			08/01/23	73,928					
			02/01/24	36,964					
			08/01/24	73,929					
			02/01/25	36,964					
			08/01/25	73,929					
			02/01/26	36,964					
			08/01/26	73,929					
			02/01/27	36,964					
			08/01/27	73,929					
			02/01/28	36,964					
			08/01/28	73,928					
			02/01/29	36,964					
08/01/29	73,930								
				\$ 998,036	1,108,929	-	-	110,893	998,036
2010 NJEIT Loan Series Fall 2010B	03/20/10	14,867,980	02/01/21	\$ 260,842					
			08/01/21	521,683					
			02/01/22	260,842					
			08/01/22	521,683					

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Loans Payable  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Date</u>	<u>Loan Payments Amount</u>	<u>Balance Jan. 1, 2020</u>	<u>Loans Issued</u>	<u>N.J.D.E.P. Cancellation</u>	<u>Paid 2020</u>	<u>Balance Dec. 31, 2020</u>
2010 NJEIT Loan Series Fall 2010B (Cont'd)			02/01/23	\$ 260,842					
			08/01/23	521,684					
			02/01/24	260,842					
			08/01/24	521,683					
			02/01/25	260,842					
			08/01/25	521,683					
			02/01/26	260,842					
			08/01/26	521,683					
			02/01/27	260,842					
			08/01/27	521,684					
			02/01/28	260,842					
			08/01/28	521,683					
			02/01/29	260,842					
			08/01/29	521,683					
			02/01/30	260,842					
			08/01/30	521,684					
				<u>\$ 7,825,253</u>	<u>\$ 8,607,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 782,525</u>	<u>\$ 7,825,253</u>
2012 NJEIT Loan Series 2012ABC (CW)	05/03/12	\$ 3,397,500	02/01/21	\$ 62,917					
			08/01/21	125,833					
			02/01/22	62,917					
			08/01/22	125,833					
			02/01/23	62,917					
			08/01/23	125,833					
			02/01/24	62,917					
			08/01/24	125,833					
			02/01/25	62,917					
			08/01/25	125,833					
			02/01/26	62,917					
			08/01/26	125,833					
			02/01/27	62,917					
			08/01/27	125,833					
			02/01/28	62,917					
			08/01/28	125,833					
			02/01/29	62,917					
			08/01/29	125,833					
			02/01/30	62,917					
			08/01/30	125,833					
			02/01/31	62,917					
			08/01/31	125,833					
				<u>\$ 2,076,250</u>	<u>2,265,000</u>	<u>-</u>	<u>-</u>	<u>188,750</u>	<u>2,076,250</u>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Loans Payable  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Date</u>	<u>Loan Payments Amount</u>	<u>Balance Jan. 1, 2020</u>	<u>Loans Issued</u>	<u>N.J.D.E.P. Cancellation</u>	<u>Paid 2020</u>	<u>Balance Dec. 31, 2020</u>	
2012 NJEIT Loan Series 2012ABC (PF) (CW)	05/03/12	\$ 34,037,500	02/01/21	\$ 728,030						
			08/01/21	1,456,061						
			02/01/22	728,030						
			08/01/22	1,456,061						
			02/01/23	728,030						
			08/01/23	1,456,061						
			02/01/24	728,030						
			08/01/24	1,456,061						
			02/01/25	728,030						
			08/01/25	1,456,061						
			02/01/26	728,030						
			08/01/26	1,456,061						
			02/01/27	728,030						
			08/01/27	1,456,061						
			02/01/28	728,030						
			08/01/28	1,456,061						
			02/01/29	728,030						
			08/01/29	1,456,061						
			02/01/30	728,030						
			08/01/30	1,456,061						
02/01/31	728,030									
08/01/31	1,092,044									
				\$ 23,660,984	\$ 25,845,075	\$ -	\$ -	\$ 2,184,091	\$ 23,660,984	
2013 NJEIT Loan Series 2013A (CW)	09/01/13	4,625,562	02/01/21	\$ 88,106						
			08/01/21	176,212						
			02/01/22	88,106						
			08/01/22	176,212						
			02/01/23	88,106						
			08/01/23	176,212						
			02/01/24	88,106						
			08/01/24	176,212						
			02/01/25	88,106						
			08/01/25	176,212						
			02/01/26	88,106						
			08/01/26	176,212						
			02/01/27	88,106						
			08/01/27	176,212						
02/01/28	88,106									
08/01/28	176,212									
02/01/29	88,106									
08/01/29	176,212									
02/01/30	88,106									

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Loans Payable  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Date</u>	<u>Loan Payments Amount</u>	<u>Balance Jan. 1, 2020</u>	<u>Loans Issued</u>	<u>N.J.D.E.P. Cancellation</u>	<u>Paid 2020</u>	<u>Balance Dec. 31, 2020</u>
2013 NJEIT Loan Series 2013A (CW) (Cont'd)			08/01/30	\$ 176,212					
			02/01/31	88,106					
			08/01/31	176,212					
			02/01/32	88,106					
			08/01/32	132,159					
				\$ 3,127,761		\$ 3,392,079	\$ -	\$ -	\$ 264,318
2015 NJEIT Loan Series 2015A-1 (CW) 14	05/28/15	\$ 2,242,750	02/01/21	\$ 39,346					
			08/01/21	78,693					
			02/01/22	39,347					
			08/01/22	78,693					
			02/01/23	39,346					
			08/01/23	78,693					
			02/01/24	39,347					
			08/01/24	78,693					
			02/01/25	39,346					
			08/01/25	78,693					
			02/01/26	39,347					
			08/01/26	78,693					
			02/01/27	39,346					
			08/01/27	78,693					
			02/01/28	39,347					
			08/01/28	78,693					
			02/01/29	39,346					
			08/01/29	78,693					
			02/01/30	39,347					
			08/01/30	78,693					
			02/01/31	39,346					
			08/01/31	78,693					
			02/01/32	39,347					
			08/01/32	78,693					
			02/01/33	39,346					
			08/01/33	78,693					
02/01/34	39,346								
08/01/34	78,693								
			\$ 1,652,552		1,770,592	-	-	118,040	1,652,552
2015 NJEIT Loan Series 2015A-1 (CW) 10-2	05/28/15	993,413	02/01/21	\$ 18,744					
			08/01/21	37,487					
			02/01/22	18,744					
			08/01/22	37,487					
			02/01/23	18,744					

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Loans Payable  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Date</u>	<u>Loan Payments</u> <u>Amount</u>	<u>Balance</u> <u>Jan. 1, 2020</u>	<u>Loans</u> <u>Issued</u>	<u>N.J.D.E.P.</u> <u>Cancellation</u>	<u>Paid</u> <u>2020</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	
2015 NJEIT Loan Series 2015A-1 (CW) 10-2 (Cont'd)			08/01/23	\$ 37,487						
			02/01/24	18,744						
			08/01/24	37,487						
			02/01/25	18,744						
			08/01/25	37,487						
			02/01/26	18,744						
			08/01/26	37,487						
			02/01/27	18,744						
			08/01/27	37,487						
			02/01/28	18,744						
			08/01/28	37,487						
			02/01/29	18,744						
			08/01/29	37,487						
			02/01/30	18,744						
			08/01/30	37,487						
			02/01/31	18,744						
			08/01/31	37,487						
			02/01/32	18,743						
			08/01/32	37,487						
				<u>\$ 674,771</u>		<u>\$ 731,002</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,231</u>	<u>\$ 674,771</u>
2015 NJEIT Loan Series 2015A-2 (CW) 06-02	11/24/15	\$ 1,159,679	02/01/21	\$ 26,356						
			08/01/21	52,713						
			02/01/22	26,356						
			08/01/22	52,713						
			02/01/23	26,356						
			08/01/23	52,713						
			02/01/24	26,356						
			08/01/24	52,713						
			02/01/25	26,356						
			08/01/25	52,713						
			02/01/26	26,356						
			08/01/26	52,713						
			02/01/27	26,356						
			08/01/27	52,713						
			02/01/28	26,356						
			08/01/28	52,713						
			02/01/29	26,356						
			08/01/29	52,713						
			02/01/30	26,356						
			08/01/30	52,713						
			<u>\$ 790,690</u>		<u>869,759</u>	<u>-</u>	<u>-</u>	<u>79,069</u>	<u>790,690</u>	

(Continued)



**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Loans Payable  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Date</u>	<u>Loan Payments Amount</u>	<u>Balance Jan. 1, 2020</u>	<u>Loans Issued</u>	<u>N.J.D.E.P. Cancellation</u>	<u>Paid 2020</u>	<u>Balance Dec. 31, 2020</u>
2015 NJEIT loan Series 2015A-2 (CW) 14-1	11/24/15	\$ 317,250	02/01/21	\$ 5,665					
			08/01/21	11,330					
			02/01/22	5,665					
			08/01/22	11,331					
			02/01/23	2,796					
						<u>\$ 36,787</u>	<u>\$ 53,783</u>	<u>\$ -</u>	<u>\$ -</u>
2017 NJEIT Loan Series 2017A-1 (PF)	05/25/17	3,000,174	02/01/21	\$ 34,485					
			08/01/21	68,969					
			02/01/22	34,485					
			08/01/22	68,970					
			02/01/23	34,485					
			08/01/23	68,969					
			02/01/24	34,485					
			08/01/24	68,969					
			02/01/25	34,485					
			08/01/25	68,969					
			02/01/26	34,485					
			08/01/26	68,970					
			02/01/27	34,485					
			08/01/27	68,969					
			02/01/28	34,485					
			08/01/28	68,969					
			02/01/29	34,485					
			08/01/29	68,969					
			02/01/30	34,485					
			08/01/30	68,970					
			02/01/31	34,485					
			08/01/31	68,969					
			02/01/32	34,485					
			08/01/32	68,969					
			02/01/33	34,485					
			08/01/33	68,969					
			02/01/34	34,485					
			08/01/34	68,970					
			02/01/35	34,485					
			08/01/35	68,969					
02/01/36	34,485								
08/01/36	68,969								
02/01/37	34,485								
08/01/37	68,969								
02/01/38	34,485								
08/01/38	68,970								

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Loans Payable  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2020</u>	<u>Loans Issued</u>	<u>N.J.D.E.P. Cancellation</u>	<u>Paid 2020</u>	<u>Balance Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>					
2017 NJEIT Loan Series 2017A-1 (PF) (Cont'd)			02/01/39	\$ 34,485					
			08/01/39	68,969					
			02/01/40	34,485					
			08/01/40	68,969					
			02/01/41	34,485					
			08/01/41	68,969					
			02/01/42	34,485					
			08/01/42	68,970					
			02/01/43	34,485					
			08/01/43	68,969					
			02/01/44	34,485					
			08/01/44	66,647					
				<u>\$ 2,480,580</u>	<u>\$ 2,793,266</u>	<u>\$ -</u>	<u>\$ (209,232)</u>	<u>\$ 103,454</u>	<u>\$ 2,480,580</u>
NJIB Construction Financing Program, Series 2018 CFP-18-1 (640-17)	01/12/18	\$ 1,961,335	06/30/21	<u>\$ 1,961,335</u>	1,961,335	-	-	-	1,961,335
NJIB Construction Financing Program, Series 2018 CFP-18-2 (640-18)	03/20/18	56,558,143	06/30/21	<u>\$ 56,558,143</u>	56,558,143	-	-	-	56,558,143
NJIB Construction Financing Program, Series 2018 CFP-18-3 (640-22)	12/21/18	1,489,179	06/30/22	<u>\$ 1,489,179</u>	1,489,179	-	-	-	1,489,179
NJIB Construction Financing Program, Series 2019 CFP-19-1 (640-16)	04/05/19	5,391,494			5,391,494	-	-	5,391,494	-
NJIB Construction Financing Program, Series 2019 CFP-19-2 (640-23)	05/15/19	3,118,812			3,118,812	-	-	3,118,812	-
NJIB Construction Financing Program, Series 2019 CFP-19-3 (640-13)	06/21/19	7,594,094	06/30/22	<u>\$ 7,594,094</u>	7,594,094	-	-	-	7,594,094
NJIB Construction Financing Program, Series 2019 CFP-19-4 (640-24)	06/21/19	2,810,997	06/30/22	<u>\$ 2,810,997</u>	2,810,997	-	-	-	2,810,997
NJIB Construction Financing Program, Series 2020 CFP-2020-1 (640-23)	08/26/20	4,146,312	06/30/22	<u>\$ 4,146,312</u>	-	4,146,312	-	-	4,146,312
NJIB Construction Financing Program, Series 2020 CFP-2020-2 (640-16)	09/25/20	6,079,220	06/30/22	<u>\$ 6,079,220</u>	-	6,079,220	-	-	6,079,220

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Loans Payable  
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Date</u>	<u>Loan Payments Amount</u>	<u>Balance Jan. 1, 2020</u>	<u>Loans Issued</u>	<u>N.J.D.E.P. Cancellation</u>	<u>Paid 2020</u>	<u>Balance Dec. 31, 2020</u>
NJIB Construction Financing Program, Series 2020 CFP-2020-3 (640-26)	09/25/20	\$ 11,855,916	06/30/24	<u>\$ 11,855,916</u>	\$ -	\$ 11,855,916	\$ -	\$ -	\$ 11,855,916
NJIB Construction Financing Program, Series 2020 CFP-2020-4 (640-28)	09/25/20	1,466,777	06/30/24	<u>\$ 1,466,777</u>	-	1,466,777	-	-	1,466,777
NJIB Construction Financing Program, Series 2020 CFP-2020-5 (345040-01)	12/10/20	937,480	06/30/24	<u>\$ 937,480</u>	-	937,480	-	-	937,480
NJIB Construction Financing Program, Series 2020 CFP-2020-6 (640-20)	12/10/20	1,259,302	06/30/24	<u>\$ 1,259,302</u>	-	1,259,302	-	-	1,259,302
				Grand Total	<u>\$ 147,490,294</u>	<u>\$ 25,745,007</u>	<u>\$ (209,232)</u>	<u>\$ 15,527,518</u>	<u>\$ 157,498,551</u>
				Cash Held by Fiscal Agent		\$ 25,745,007		\$ 8,510,306	
				Cash				7,017,212	
						<u>\$ 25,745,007</u>		<u>\$ 15,527,518</u>	

**CAMDEN COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**PART II**

**SINGLE AUDIT SECTION**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Chairman and Members of  
Camden County Municipal Utilities Authority  
Camden County, New Jersey

***Report on Compliance for Each Major Federal and State Program***

We have audited the Camden County Municipal Utilities Authority's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal and state programs for the year ended December 31, 2020. The Authority's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Authority's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey; 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, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Camden County Municipal Utilities Authority's, in the County of Camden, State of New Jersey, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Authority's compliance.

***Opinion on Each Major Federal and State Program***

In our opinion, the Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2020.

**Report on Internal Control Over Compliance**

Management of the Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
April 14, 2022

## CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2020

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Federal Award Identification Number (FAIN)	State GMS Number	Pass-through Entity Id Number	Program or Award Amount	Matching Funds	Grant Period From To	
<u>U.S. Department of Environmental Protection Agency</u>									
Pass Through N.J. Department of Environmental Protection									
Capitalization Grants for Clean Water State Revolving									
Funds (CWSRF) Cluster:									
Camden City Green & Grey Infrastructure Improvement Project - Phase II	66.458	none	not known	042-4860-711-010	S340640-15	\$ 4,000,174	n/a	07/19/16	Open
Camden City Green & Grey Infrastructure Improvement Project - Phase III (5 Green Infrastructure and Sewer Recon)	66.458	none	not known	not known	S340640-17	1,961,335	n/a	01/12/18	Open
Anaerobic Digester (AD) & Combined Heat and Power (CHP)	66.458	none	not known	not known	S340640-18	56,558,143	n/a	03/20/18	Open
Cooper Street Pipe Lining & Arch Street Pump Station Upgrades	66.458	none	not known	not known	S340640-22	1,489,179	n/a	12/21/18	Open
Upgrades to Four Existing Raw Sewage Pumps	66.458	none	not known	not known	S340640-13	7,594,094	n/a	06/21/19	Open
Construction of a Interceptor to Accept Flow from Camden City Combined Sewer Overflow System (CSO)	66.458	none	not known	not known	S340640-16	6,072,411	n/a	04/05/19	Open
Work at Nine CSOs in Camden City to Restore Design Functionality	66.458	none	not known	not known	S340640-23	4,136,138	n/a	05/15/19	Open
Upgrades to Plant to Receive More Wet Weather Flow	66.458	none	not known	not known	S340640-24	2,810,997	n/a	06/21/19	Open
Total Capitalization Grants for Clean Water State Revolving Funds (CWSRF) Cluster									
Federal Clean Water Act Section 319(H) Nonpoint Pollution Control and Management Implementation Grant									
Living Shoreline for Phoenix Park (WM15-020)	66.460	none	not known	042-4801-100-442	WM15-020	258,000	n/a	11/15/15	05/15/19
Total Federal Clean Water Act Section 319(H) Nonpoint Pollution and Management Implementation Grant									
Total U.S. Department of Environmental Protection Agency									
<u>U.S. Department of Commerce</u>									
Marine Debris Program - Direct Funding									
Debris Removal to Establish Living Shoreline in Camden, NJ	11.999	none	NA17NOS9990008	not applicable	not applicable	67,000	\$ 68,282	08/01/17	07/31/19
Total U.S. Department of Commerce									
<u>U.S. Department of Treasury</u>									
Pass Through N.J. Department of Community Affairs									
Pass Through County of Camden Coronavirus Relief Fund	21.019	COVID-19	not known	not known	not applicable	314,031	n/a	03/01/20	11/30/20
Total U.S. Department of Treasury									
<u>U.S. Department of Homeland Security</u>									
Pass Through N.J. Department of Law and Public Safety									
Disaster Grants - Public Assistance (Presidentially Declared Disasters) (Coronavirus Pandemic)	97.036	COVID-19	not known	not known	not applicable	514,575	n/a	03/01/20	12/31/20
Total U.S. Department of Homeland Security									
Total Federal Awards									

The accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance and Notes to Financial Statements are an integral part of these schedules.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2020

Receivable Balance Dec. 31, 2019	Revenue Recognized	Cash Receipts	Passed- Through to Subrecipients	Adjustments	Total Federal Disbursements / Expenditures	Receivable Balance Dec. 31, 2020		(Memo Only)	
						Project Funds Balance	Unreimbursed Expenditures	Cash Received 2020	Accumulated Expenditures
\$ 259,474				\$ (259,474)					\$ 3,740,700
758,715						\$ 758,715			1,202,620
13,618,235		\$ 7,248,199			\$ 4,769,241	6,370,036		\$ 7,248,199	50,188,107
677,990		666,575			666,575	11,415		666,575	1,477,764
7,310,814		1,800,717			1,725,313	5,510,097		1,800,717	2,083,997
2,394,762	\$ 680,917	2,586,671			1,929,465	489,008		2,586,671	5,583,403
1,874,219	1,017,326	1,879,122			1,750,497	1,012,423		1,879,122	3,123,715
1,887,341		1,425,511			1,500,599	386,742	\$ 75,088	1,425,511	2,424,255
28,781,550	1,698,243	15,606,795	\$ -	\$ (259,474)	12,341,690	14,538,436	75,088	15,606,795	69,824,561
161,220		20,673			55,033	106,187	34,360	20,673	151,813
161,220	-	20,673	-	-	55,033	106,187	34,360	20,673	151,813
28,942,770	1,698,243	15,627,468	-	(259,474)	12,396,723	14,644,623	109,448	15,627,468	69,976,374
4,380		4,380			4,380			4,380	67,000
4,380	-	4,380	-	-	4,380	-	-	4,380	67,000
	314,031	314,031			314,031			314,031	314,031
-	314,031	314,031	-	-	314,031	-	-	314,031	314,031
	514,575				514,575		514,575	-	514,575
-	514,575	-	-	-	514,575	-	514,575	-	514,575
\$ 28,947,150	\$ 2,526,849	\$ 15,945,879	\$ -	\$ (259,474)	\$ 13,229,709	\$ 14,644,623	\$ 624,023	\$ 15,945,879	\$ 70,871,980



## CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

## Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2020

<u>State Grantor/ Program Title</u>	<u>State</u>	<u>Pass-through</u>	<u>Program</u>	<u>Grant Period</u>	
	<u>GMIS Number</u>	<u>Grantors' Number</u>	<u>or Award Amount</u>	<u>From</u>	<u>To</u>
State of New Jersey,					
NJ Environmental Infrastructure Bank Financing Program:					
Camden City Green & Grey Infrastructure Improvement Project - Phase II	042-4860-711-010	S340640-15	\$ 1,333,391	07/19/16	Open
Camden City Green & Grey Infrastructure Improvement Project - Phase III (5 Green Infrastructure and Sewer Recon)	Unknown	S340640-17	653,778	01/12/18	Open
Anaerobic Digester (AD) & Combined Heat and Power (CHP)	Unknown	S340640-18	18,852,714	03/20/18	Open
Cooper Street Pipe Lining & Arch Street Pump Station Upgrades	Unknown	S340640-22	496,393	12/21/18	Open
Upgrades to Four Existing Raw Sewage Pumps	Unknown	S340640-13	2,531,365	06/21/19	Open
Construction of a Interceptor to Accept Flow from Camden City Combined Sewer Overflow System (CSO)	Unknown	S340640-16	2,024,137	04/05/19	Open
Work at Nine CSOs in Camden City to Restore Design Functionality	Unknown	S340640-23	1,378,713	05/15/19	Open
Upgrades to Plant to Receive More Wet Weather Flow	Unknown	S340640-24	936,999	06/21/19	Open
Total NJ Environmental Infrastructure Bank Financing Program					
<u>New Jersey Board of Public Utilities:</u>					
Distributed Energy Resource Microgrid Feasibility Study Incentive Program	082-2014-71D-019	Not Applicable	150,000	01/12/18	Open
Total New Jersey Board of Public Utilities					
Total State Financial Assistance					

The accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance and Notes to Financial Statements are an integral part of these schedules.

## CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2020

Receivable Balance <u>Dec. 31, 2019</u>	Revenue <u>Recognized</u>	Cash <u>Receipts</u>	Adjustments	Disbursements or Expenditures	Receivable Balance		(Memo Only)	
					<u>Dec. 31, 2020</u> Project Funds Balance	Unreimbursed Expenditures	Cash Received <u>2020</u>	Accumulated Expenditures
\$ 86,492			\$ (86,492)					\$ 1,246,899
252,905					\$ 252,905			400,873
4,539,411		\$ 2,416,066		\$ 1,589,747	2,123,345		\$ 2,416,066	16,729,369
225,997		222,192		222,192	3,805		222,192	492,589
2,436,938		600,239		575,105	1,836,699		600,239	694,666
798,254	\$ 226,972	862,223		643,155	163,003		862,223	1,861,134
624,740	339,109	626,374		583,499	337,475		626,374	1,041,238
629,114		475,170		500,200	128,914	\$ 25,030	475,170	808,085
9,593,851	566,081	5,202,264	\$ (86,492)	4,113,898	4,846,146	25,030	5,202,264	23,274,853
86,549			(86,549)					63,451
86,549	-	-	(86,549)	-	-	-	-	63,451
\$ 9,680,400	\$ 566,081	\$ 5,202,264	\$ (173,041)	\$ 4,113,898	\$ 4,846,146	\$ 25,030	\$ 5,202,264	\$ 23,338,304

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Year Ended December 31, 2020

---

**Note 1: BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Camden County Municipal Utilities Authority (hereafter referred to as the “Authority”) under programs of the federal government and state government for the year ended December 31, 2020. The Authority is defined in note 1 to the Authority’s basic financial statements. The information in these schedules 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) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position and changes in operations of the Authority.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules 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*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**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 schedules 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 schedules agree with the amounts reported in the related federal and state financial reports.

**Note 6: ADJUSTMENTS**

Amounts reported in the columns entitled “adjustments” represent cancellation of unspent grant funds after the expiration of the period of performance.

**Note 7: MAJOR PROGRAMS**

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

**CAMDEN COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**PART III**

**SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2020

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?      yes   X   no

Identification of major programs:

**Assistance Listing Number(s)**

**Name of Federal Program or Cluster**

66.458

Capitalization Grants for Clean Water State Revolving Funds (CWSRF) Cluster

21.019

Coronavirus Relief Fund

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee?      yes   X   no

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2020

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

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes  X  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes  X  none reported

Type of auditor's report issued on compliance for major programs \_\_\_\_\_  Unmodified

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

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

042-4860-711-010

New Jersey Infrastructure Bank Financing Program

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dollar threshold used to determine Type A programs \_\_\_\_\_  \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2020

---

***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, State of New Jersey, requires.

**None.**

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2020

---

***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.**



**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2020

---

***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.

**None.**

**CAMDEN COUNTY 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**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE**

None.

31700

**APPRECIATION**

We express our appreciation for the assistance and courtesies rendered by the Authority officials during the course of the audit.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants