

**CAMDEN COUNTY
MUNICIPAL UTILITIES AUTHORITY**

REPORT OF AUDIT

**WITH
SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**



CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
TABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
	Roster of Officials	1
<u>PART I - FINANCIAL SECTION</u>		
	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 Informatior</u>	
RSI-1	Schedule of the Authority's Proportionate Share of the Net Pension Liability - PER:	66
RSI-2	Schedule of the Authority's Contributions – PERS	67
RSI-3	Schedule of the Authority's Proportionate Share of the Net OPEB Liability	68
RSI-4	Schedule of the Authority's OPEB Contribution:	69
RSI-5	Schedule of Changes in the Authority's Total OPEB Liability and Related Ratio	70
	Notes to Required Supplementary Informatior	71
	<u>Supplementary Schedules</u>	
<u>Schedule No.</u>		
1	Combining Schedule of Revenues, Expenses and Changes in Net Position	74
2	Schedule of Cash Receipts, Cash Disbursements and Changes in Cash and Cash Equivalents	75
3	Schedule of Sewer Operations--Revenues, Operating Appropriations, Principal Payments and Non-Operating Appropriations Compared to Budget	76
4	Analysis of Investment Income Receivable	78
5	Schedule of Revenue Bonds	79
6	Schedule of Loans Payable	86
<u>PART II - SINGLE AUDIT SECTION</u>		
	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	97
A	Schedule of Expenditures of Federal Awards	100
B	Schedule of Expenditures of State Financial Assistance	102
	Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	104
<u>PART III - SCHEDULE OF FINDINGS AND QUESTIONED COSTS</u>		
	Schedule of Findings and Questioned Costs	106
	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	111
	APPRECIATION	112

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Roster of Officials
December 31, 2021

Commissioners

Position

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

Chairperson
Vice – Chairperson
Treasurer
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner

Other Officials

Position

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

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, 2021 AND 2020**

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, 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, 2021 and 2020, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, a component unit of the County of Camden, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of 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, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information 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.

Supplementary Information

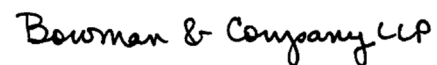
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority’s basic financial statements. The accompanying supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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 and the 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary schedules and the 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 May 15, 2023 on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
May 15, 2023

**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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 15, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

31700

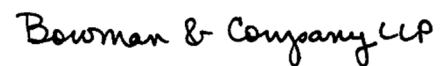
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests 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
May 15, 2023

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2021 and 2020 (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, 2021. 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, 2021 compared to December 31, 2020 and December 31, 2019. 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, 2021 and 2020 (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, 2021 were \$588,367,953. After adding deferred outflows of resources of \$8,820,780 and deducting liabilities of \$258,086,035 and deferred inflows of resources of \$22,894,261; the resulting net position is \$316,208,437.
- Operating revenues were \$95,247,266, \$92,955,061, and \$92,821,050 for the years ended December 31, 2021, 2020 and 2019, respectively.
- Operating expenses were \$61,674,756, \$70,813,034, and \$68,764,574 for the years ended December 31, 2021, 2020 and 2019, respectively.
- Interest expense for the year ended December 31, 2021 was \$1,156,341, an increase of \$354,503 from the prior year due to various permanent financing issued. The closing of permanent financing also resulted in principal forgiveness of previous loans payable in the amount of \$14,345,096.
- Payments to the County of Camden for Shared Service Agreement for the years ended December 31, 2021 and 2020 were \$15,000,000, in accordance with the Authority’s adopted budgets.
- The Authority received \$1,128,877 in reimbursements from the County of Camden relating to expenditures incurred for the demolition of Campbell’s Field and the construction of a new Athletic Field in the City of Camden, in accordance with the terms of a shared service agreement.
- Net investment in capital assets was \$300,230,082 as of December 31, 2021, a decrease of \$3,285,413 from the prior year. Net position restricted for Bond Covenants was \$9,524,000 as of December 31, 2021, an increase of \$2,071,000 from the prior year. Unrestricted net position was 6,454,355 as of December 31, 2021.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
For the Years Ended December 31, 2021 and 2020 (unaudited)**

NET POSITION

The following table provides a summary of the Authority's net position for 2021, 2020 and 2019.

<u>SUMMARY OF FINANCIAL POSITION</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	Change from 2020 to 2021	
				<u>Amount</u>	<u>%</u>
ASSETS					
Unrestricted Assets	\$ 73,426,044	\$ 44,652,244	\$ 33,346,969	\$ 28,773,800	64.44%
Restricted Assets	31,583,564	58,407,756	47,688,000	(26,824,192)	-45.93%
Capital Assets, Net	483,358,345	488,266,729	486,164,686	(4,908,384)	-1.01%
Total Assets	588,367,953	591,326,729	567,199,655	(2,958,776)	-0.50%
DEFERRED OUTFLOWS OF RESOURCES	8,820,780	11,467,857	7,666,324	(2,647,077)	-23.08%
LIABILITIES					
Current Liabilities	35,541,492	103,495,504	27,495,565	(67,954,012)	-65.66%
Total Long-Term Liabilities	222,544,543	191,386,017	243,964,001	31,158,526	16.28%
Total Liabilities	258,086,035	294,881,521	271,459,566	(36,795,486)	-12.48%
DEFERRED INFLOWS OF RESOURCES	22,894,261	22,965,519	24,558,656	(71,258)	-0.31%
NET POSITION					
Net Investment in Capital Assets	300,230,082	303,515,495	307,838,254	(3,285,413)	-1.08%
Restricted for Bond Covenants	9,524,000	7,453,000	7,367,000	2,071,000	27.79%
Unrestricted (Deficit)	6,454,355	(26,020,949)	(36,357,497)	32,475,304	-124.80%
Total Net Position	\$ 316,208,437	\$ 284,947,546	\$ 278,847,757	\$ 31,260,891	10.97%

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, 2021 and 2020 (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>2021</u>	<u>2020</u>	<u>2019</u>
Unrestricted Net Position (Deficit)	\$ 6,454,355	\$ (26,020,949)	\$ (36,357,497)
Pension Related Items:			
Deferred Outflows Related to Pensions	1,823,942	3,758,791	5,144,076
Less: Accounts Payable Related to Pensions	(1,332,117)	(1,323,146)	(1,169,075)
Less: Accrued Liability Related to Pensions	(666,059)	(661,573)	(584,538)
Less: Net Pension Liability	(13,475,113)	(19,723,991)	(21,656,050)
Less: Deferred Inflows Related to Pensions	<u>(10,027,599)</u>	<u>(8,967,673)</u>	<u>(8,913,492)</u>
	<u>(23,676,946)</u>	<u>(26,917,592)</u>	<u>(27,179,079)</u>
OPEB Related Items:			
Deferred Outflows Related to OPEB	6,725,385	7,366,480	2,113,533
Less: Net OPEB Liability	(27,441,361)	(27,413,632)	(20,496,647)
Less: Deferred Inflows Related to OPEB	<u>(12,502,082)</u>	<u>(13,559,721)</u>	<u>(15,645,164)</u>
	<u>(33,218,058)</u>	<u>(33,606,873)</u>	<u>(34,028,278)</u>
Unrestricted Net Position (Deficit), net of the effect of Pension and OPEB	<u>\$ 63,349,359</u>	<u>\$ 34,503,516</u>	<u>\$ 24,849,860</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 2021, the Authority's net position increased by 10.97% from 2020 and increased by 13.40% from 2019. The increases over 2020 and 2019 resulted from a decrease in total liabilities as a result of the closing of New Jersey Infrastructure Bank (NJIB) permanent financing in 2021. 2021 permanent financing effectively defeased several Construction Interim Loans that were outstanding in 2020 and 2019; and the Authority obtained principal forgiveness in the amount of \$14,345,096.

The Authority's Bond Resolutions and State Regulations govern Restricted Assets. The category Restricted Assets decreased by 45.93% from 2020 and decreased by 33.77% from 2019. These decreases are partially offset with increases in Unrestricted Assets. As the Authority drew down funds from the NJIB for construction projects, such transactions increase Unrestricted Cash and decrease Restricted Cash and Cash Held by Fiscal Agent.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
For the Years Ended December 31, 2021 and 2020 (unaudited)**

CHANGES IN FINANCIAL POSITION (CONT'D)

The Authority's total liabilities decreased \$36,795,486 or 12.48% from 2020 and decreased \$13,373,531 or 4.93% from 2019. As mentioned above, the Authority closed on various permanent financings in 2021 that defeased several construction interim financing programs with NJIB. It is anticipated that additional permanent long-term financing will be obtained through the New Jersey Infrastructure Bank before or upon completion of the projects in 2022.

The following table reflects changes in net position for 2021, 2020 and 2019.

<u>CHANGES IN NET POSITION</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	Change from 2020 to 2021	
				<u>Amount</u>	<u>%</u>
OPERATING REVENUE					
User Charges and Fees	\$ 84,731,755	\$ 84,732,457	\$ 84,778,782	\$ (702)	0.00%
Other Revenue	10,515,511	8,222,604	8,042,268	2,292,907	27.89%
Total Operating Revenues	95,247,266	92,955,061	92,821,050	2,292,205	2.47%
OPERATING EXPENSES					
Administration	8,157,368	8,479,286	8,084,567	(321,918)	-3.80%
Cost of Providing Services	28,477,890	36,622,255	34,522,381	(8,144,365)	-22.24%
Depreciation	25,039,498	25,711,493	26,157,626	(671,995)	-2.61%
Total Operating Expenses	61,674,756	70,813,034	68,764,574	(9,138,278)	-12.90%
OPERATING INCOME	33,572,510	22,142,027	24,056,476	11,430,483	51.62%
NONOPERATING REVENUE (EXPENSES):					
Investment Income	39,502	219,884	550,512	(180,382)	-82.04%
Grant Revenues	23,301	59,413	173,476	(36,112)	-60.78%
Interest Expense	(1,156,341)	(801,838)	(1,747,150)	(354,503)	44.21%
Bond Issuance Costs	(917,187)	(443,947)	(324,868)	(473,240)	106.60%
Shared Services Agreement County of Camden	(15,000,000)	(15,000,000)	(10,000,000)		
Community Service Projects	1,128,877	(10,571)	(639,958)	1,139,448	-10779.00%
Amortization of Pre-Operating Costs		(7,019)	(7,019)	7,019	-100.00%
Cancellation of Principal Forgiveness		(50,242)		50,242	-100.00%
Net Loss on Disposal and Abandonment of Capital Assets	(774,867)	(7,918)	(1,151,149)	(766,949)	9686.15%
TOTAL NON-OPERATING ITEMS	(16,656,715)	(16,042,238)	(13,146,156)	(614,477)	3.83%
Income Before Contributions	16,915,795	6,099,789	10,910,320	10,816,006	177.32%
Capital Contributions	14,345,096			14,345,096	100.00%
Increase in Net Position	31,260,891	6,099,789	10,910,320	25,161,102	412.49%
Total Net Position Jan. 1	284,947,546	278,847,757	267,937,437	6,099,789	2.19%
Net Position Dec. 31	\$ 316,208,437	\$ 284,947,546	\$ 278,847,757	\$31,260,891	10.97%

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
For the Years Ended December 31, 2021 and 2020 (unaudited)**

CHANGES IN NET POSITION (CONT'D)

The Authority's overall financial position is firm. User fees and other operating revenues remained consistent from 2020 to 2021, 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 2021, total operating expenses decreased \$9,138,278 or 12.90% from 2020 and decreased \$7,089,818 or 10.31% from 2019. The decreases over 2020 and 2019 are mainly contributed to: (1) Reduction of utility costs and sludge drying and hauling costs as the Authority's sludge digestion project was completed and was starting to provide the intended benefits; and (2) Reduction in GASB 68 pension expense as the Authority recognized pension benefit in 2021.

In 2021, non-operating expenses, net of revenues, increased by 3.83% compared to 2020 and by 26.70% compared to 2019. As previously mentioned, the Authority received \$1,128,877 in reimbursements from the County of Camden relating to expenditures incurred for the demolition of Campbell's Field and the construction of a new Athletic Field in the City of Camden, in accordance with the terms of a shared service agreement. However, such increase in revenue was offset by an increase in interest expense on long-term debt as well as a loss on disposal of capital assets. The differences between 2021 and 2019 were mainly due to the community service project reimbursements and an increase in the contribution to the County of Camden for the repair and/or replacement of certain County infrastructure projects in the amount of \$5,000,000 in accordance with the provisions of N.J.S.A. 40:14B-40.2 and in accordance with adopted budgets.

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 2021, actual revenues exceeded the anticipated revenues by \$5,377,884 [\$95,310,069 vs. \$89,932,185]. Connection fees revenue realized was significantly higher than anticipated in the 2021 budget as several development projects were underway in the County, despite the ongoing Coronavirus public health pandemic. Other operating revenues realized was also higher than anticipated due to some one-time reimbursement of expenditures received. Total operating appropriations came in well under the budget for 2021 in the amount of \$10,888,078 [\$51,253,282 vs. \$62,141,360]. Actual costs for items such as salaries and wages, fringe benefits, and sludge disposals were lower than anticipated in the budget.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
For the Years Ended December 31, 2021 and 2020 (unaudited)**

DEBT ADMINISTRATION

During the year 2021, the Authority continued to pay down its outstanding debt from operating revenues.

As mentioned above, on June 10, 2021, the Authority closed on permanent financing loans from the New Jersey Environmental Infrastructure Trust totaling \$4,595,000 from the Trust and \$14,126,023 from the Fund. The loan proceeds were used pay off funds drawn down by the Authority from interim loans 640-16, 640-22, 640-23, and 640-24. 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, 2050. The Trust Loan carries interest rates from 2% to 5%, with a final maturity of August 1, 2050.

On June 10, 2021, the Authority also closed on permanent financing loans from the New Jersey Environmental Infrastructure Trust totaling \$17,770,000 from the Trust and \$40,318,114 from the Fund, net of principal forgiveness in the amount of \$14,345,096. The principal forgiveness portion does not require repayment and was recorded as a capital contribution in the financial statements. The loan proceeds were used to pay off funds drawn down by the Authority from interim loans 640-17 and 640-18. 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, 2050. The Trust Loan carries interest rates from 2% to 5%, with a final maturity of August 1, 2050.

CAPITAL IMPROVEMENTS AND CONSTRUCTION ACTIVITY

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

- Renovation of Administration and Service Buildings – Upgrades to the existing Administrations and Services Buildings; these facilities were constructed over 40 years ago and do not meet current building code requirements. Updates will bring both buildings into compliance with current health, safety, and welfare compliances, and include upgrades to life saving and safety, ventilation, and fire systems. Anticipated completion of this project is June 4th, 2024.
- Dredging of Newton Lake – The project consists of the removal of approximately 257,000 cubic yards of sediment that has been deposited in the lake and its connected bodies 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. At this time, the project has reached substantial completion and all restoration work is complete. A sub-contractor for the project has begun tree planting activities and final completion of the project is anticipated by the end of May 2023.
- Rehabilitation of the Berlin Force Main – 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 is fully complete.

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONT’D)
For the Years Ended December 31, 2021 and 2020 (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. in diameter, valves, valve operators, and controls. Original piping had reached the 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 contractor started field work on January 3rd, 2023. Temporary piping is installed on North side. A new header on the north side is installed. The contractor is working on the piping for the first return sludge pumping station. The new piping installation is 30% completed. Electrical work is also on the way at about 25% complete.
- 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 residents of Camden County. The project is in shop drawing submittal and review state. Equipment delivery to the site was pushed back due to supply chain issues and is anticipated by May 2023.
- Collection System Upgrades at West Collingswood Pump Station – This project entails the replacement of deteriorated sewer and two (2) damaged West Collingswood Interceptor manholes. These upgrades will promote reliable and efficient operations of the CCMUA’s collection system, prevent emergency overflows of sewage, and improve health and safety of the residents of West Collingswood. The project is in shop drawing submittal and review state.

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 65,662,159	\$ 36,286,893
Accounts Receivable, Net of Allowance for Doubtful Accounts	7,763,087	8,364,258
Accrued Interest Receivable	298	593
Other	500	500
	<hr/>	<hr/>
Total Unrestricted Assets	73,426,044	44,652,244
	<hr/>	<hr/>
Restricted Assets:		
Cash and Cash Equivalents	19,653,284	28,222,275
Cash Held by Fiscal Agent	11,930,226	29,904,252
Due from State of New Jersey -- NJDEP Fund Receivable		246,589
Grants Receivable		34,360
Accrued Interest Receivable	54	280
	<hr/>	<hr/>
Total Restricted Assets	31,583,564	58,407,756
	<hr/>	<hr/>
Total Current Assets	105,009,608	103,060,000
	<hr/>	<hr/>
Noncurrent Assets:		
Restricted Assets:		
Capital Assets:		
Utility Plant-In Service, Net of Accumulated Depreciation	424,002,162	393,251,216
Construction in Progress	41,961,916	77,051,779
Other Capital Assets, Net of Accumulated Depreciation	17,394,267	17,963,734
	<hr/>	<hr/>
Total Capital Assets	483,358,345	488,266,729
	<hr/>	<hr/>
Total Noncurrent Assets	483,358,345	488,266,729
	<hr/>	<hr/>
Total Assets	588,367,953	591,326,729
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding of Debt	271,453	342,586
Related to OPEB	6,725,385	7,366,480
Related to Pensions	1,823,942	3,758,791
	<hr/>	<hr/>
Total Deferred Outflows of Resources	8,820,780	11,467,857
	<hr/>	<hr/>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Comparative Statements of Net Position

As of December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	\$ 6,590,077	\$ 8,014,308
Accounts Payable - Related to Pension	1,332,117	1,323,146
Accrued Expenses	676,593	612,734
Reserve for Grant Expenditures:		
Clean Water Enforcement Act	3,207,980	3,183,680
	<u>11,806,767</u>	<u>13,133,868</u>
Current Liabilities Payable from Restricted Assets:		
Retainages Payable	606,857	1,304,187
Current Maturities of Long-Term Debt	22,419,021	88,571,329
Accrued Interest Payable	708,847	486,120
	<u>23,734,725</u>	<u>90,361,636</u>
Long-Term Liabilities Payable:		
Net Pension Liability	13,475,113	19,723,991
Net OPEB Liability	27,441,361	27,413,632
Accrued Liabilities - Related to Pension	666,059	661,573
Long-term Debt	180,962,010	143,586,821
	<u>222,544,543</u>	<u>191,386,017</u>
Total Liabilities	<u>258,086,035</u>	<u>294,881,521</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding of Debt	364,580	438,125
Related to OPEB	12,502,082	13,559,721
Related to Pensions	10,027,599	8,967,673
	<u>22,894,261</u>	<u>22,965,519</u>
Total Deferred Inflows of Resources	<u>22,894,261</u>	<u>22,965,519</u>
NET POSITION		
Net Investment in Capital Assets	300,230,082	303,515,495
Restricted	9,524,000	7,453,000
Unrestricted (Deficit)	6,454,355	(26,020,949)
	<u>316,208,437</u>	<u>284,947,546</u>
Total Net Position	<u>\$ 316,208,437</u>	<u>\$ 284,947,546</u>

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
User Charges and Fees	\$ 84,731,755	\$ 84,732,457
Connection Fees	6,313,137	5,962,664
Other	4,202,374	2,259,940
Total Operating Revenues	<u>95,247,266</u>	<u>92,955,061</u>
Operating Expenses		
Administration:		
Salary & Wages	2,337,149	2,297,114
Fringe Benefits	781,459	1,633,811
Other Expenses	5,038,760	4,548,361
Cost of Providing Services:		
Salary & Wages	8,594,086	7,712,425
Fringe Benefits	824,285	2,374,026
Other Expenses	19,059,519	26,535,804
Depreciation	25,039,498	25,711,493
Total Operating Expenses	<u>61,674,756</u>	<u>70,813,034</u>
Operating Income	<u>33,572,510</u>	<u>22,142,027</u>
Non-operating Revenue (Expenses):		
Investment Income	39,502	219,884
Grant Revenues	23,301	59,413
Interest Expense on Long Term Debt	(1,156,341)	(801,838)
Bond Issuance Costs	(917,187)	(443,947)
Shared Services Agreement County of Camden	(15,000,000)	(15,000,000)
Amortization of Pre-Operating Costs		(7,019)
Loss on Disposal of Capital Assets	(774,867)	(7,918)
Cancellation of Loan Forgiveness		(50,242)
Community Service Projects	1,128,877	(10,571)
Total Non-operating Revenues (Expenses)	<u>(16,656,715)</u>	<u>(16,042,238)</u>
Income Before Capital Contributions	16,915,795	6,099,789
Capital Contributions	<u>14,345,096</u>	
Change in Net Position	31,260,891	6,099,789
Net Position - Beginning	<u>284,947,546</u>	<u>278,847,757</u>
Net Position - Ending	<u>\$ 316,208,437</u>	<u>\$ 284,947,546</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 85,332,926	\$ 87,179,763
Other Operating Receipts	10,820,760	11,408,485
Payments to Suppliers	(25,458,651)	(32,529,513)
Payments to Employees	<u>(16,166,440)</u>	<u>(14,700,268)</u>
Net Cash Provided by Operating Activities	<u>54,528,595</u>	<u>51,358,467</u>
Cash Flows from Capital and Related Financing Activities:		
Principal Paid on Bonds	(10,988,563)	(10,301,300)
Payments of Defeased Bonds	(98,389,930)	(22,910,199)
Interest Paid on Bonds	(1,315,162)	(2,044,371)
Proceeds from Issuance of Long Term Debt	58,615,510	39,799,961
Proceeds from Refunding Bonds	22,365,000	14,395,345
Receipt of Cash Held by Fiscal Agents	75,557,018	21,143,705
Deposit of Cash Held by Fiscal Agents	(57,582,992)	(25,745,007)
Premium Received on Debt Issued		1,284,060
Bond Issuance Costs	(917,187)	(443,947)
Receipts from Grants	23,301	59,413
Payment of Shared Services Agreement to County of Camden	(15,000,000)	(15,000,000)
Acquisition and Construction of Capital Assets	(20,474,434)	(28,717,553)
Capital Contributions	<u>14,345,096</u>	
Net Cash Used in Capital and Related Financing Activities	<u>(33,762,343)</u>	<u>(28,479,893)</u>
Cash Flows from Investing Activities:		
Investment Income	<u>40,023</u>	<u>237,285</u>
Net Cash Provided by Investing Activities	<u>40,023</u>	<u>237,285</u>
Net Increase in Cash and Cash Equivalents	20,806,275	23,115,859
Cash and Cash Equivalents - January 1	<u>64,509,168</u>	<u>41,393,309</u>
Cash and Cash Equivalents - December 31	<u>\$ 85,315,443</u>	<u>\$ 64,509,168</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Comparative Statements of Cash Flows
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Operating Income	\$ 33,572,510	\$ 22,142,027
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization Expenses	25,039,498	25,711,493
Cancellation of Loan Forgiveness		(50,242)
Net Pension (Benefit) - GASB 68	(3,240,646)	(261,487)
Net OPEB (Benefit) - GASB 75	(388,815)	(421,405)
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	601,171	2,447,306
(Increase) Decrease in Grants and Loan Receivable	280,949	3,227,423
Increase (Decrease) in Unrestricted Accounts		
Payable and Accrued Expenses	(1,360,372)	(1,445,348)
Increase (Decrease) in Reserve for Grants	24,300	8,700
Net Cash Provided by Operating Activities	\$ 54,528,595	\$ 51,358,467

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, 2021 and 2020

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 would be 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 gain and loss on defeasance and the annual required contribution for the Authority's Other Postemployment Benefits (OPEB) Plan are not included in the budget appropriations.

The legal level of budgetary control is established at the detail shown on the Comparative Statement 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.

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

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 the school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

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

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

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 years ended December 31, 2021 and 2020.

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

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets purchased 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.

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: gain and loss on refunding of debt, defined benefit pension plans and postemployment benefit plans.

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

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 and amortization, 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 wastewater 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, interest income earned on various interest-bearing accounts and refund of prior year community service projects expensed.

Operating expenses include expenses associated with the operation, maintenance and repair of the wastewater 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, and payments to the County of Camden pursuant to shared services agreements.

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

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

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

Statement No. 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. The adoption of this Statement had no impact on the Authority's 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. The adoption of this Statement had no impact on the Authority's financial statements.

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. 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.

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. 92, *Omnibus 2020 (Cont'd)*.

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.

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.

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. 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. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective immediately. The requirements related to leases, PPPs, and SBITAs will become effective for the Authority in the year ending December 31, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will become effective for the Authority in the year ending December 31, 2024. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This Statement will become effective for the Authority in the year ending December 31, 2024. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for the Authority in the year ending December 31, 2024. Management has not yet determined the impact of this Statement 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.

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.

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.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**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, 2021</u>	<u>Bond Year Ending December 31, 2020</u>
Gross Revenues:		
Operating Revenues	\$ 95,247,266	\$ 92,955,061
Interest Income	39,502	219,884
Total Gross Revenues	95,286,768	93,174,945
Operating Expenses, exclusive of depreciation	36,635,258	45,101,541
Net Revenues	58,651,510	48,073,404
Debt Service Requirement of all Bonds issued under this Resolution (treating all Bonds as a single issue of Bonds for purposes of this calculation) *	694,569	1,384,282
Sufficiency of Net Revenues	\$ 57,956,941	\$ 46,689,122

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.

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:

	<u>Bond Year Ending December 31, 2021</u>	<u>Bond Year Ending December 31, 2020</u>
(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	\$ 3,279,000	\$ 3,993,000
(a2) Consulting Engineer's Certificate for Plant Renewal and Replacement	6,245,000	3,460,000
Total Consulting Engineer's Certified Amount	\$ 9,524,000	\$ 7,453,000
or (b) five percent (5%) of the Gross Revenues set forth in the Authority's then current Annual Budget (\$87,003,859 x 5% for 2021) and (\$87,323,564 x 5% for 2020)	\$ 4,350,193	\$ 4,366,178
Total Renewal and Replacement / System Reserve	\$ 9,524,000	\$ 7,453,000
Amount of Renewal and Replacement / System Reserve Funded	9,524,000	8,252,147
Overfunded Total Renewal and Replacement / System Reserve	\$ -	\$ 799,147

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:

	Bond Year Ending December 31, 2021	Bond Year Ending December 31, 2020
(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),	\$ 685,461	\$ 697,729
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:		
2003 Series A	104,401	108,616
2006 Series A	384,160	384,160
(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.	-	-
	\$ 40,875,799	\$ 40,880,014

Therefore, the defined Debt Service Reserve Requirement as of December 31, 2021 and 2020 shall equal \$685,461 and \$697,729, respectively.

The Authority has funded the Debt Service Reserve Requirement as of December 31, 2021 and 2020 as follows:

	Bond Year Ending December 31, 2021	Bond Year Ending December 31, 2020
Amount on Deposit	\$ 1,106,757	\$ 1,102,098
Interest Receivable	6	33
	\$ 1,106,763	\$ 1,102,131

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

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

As of December 31, 2021 and 2020, the Authority's bank balances were exposed to custodial credit risk as follows:

	<u>2021</u>	<u>2020</u>
Insured by F.D.I.C.	\$ 1,000,000	\$ 1,000,000
Insured by GUDPA	75,925,915	50,334,230
Uninsured and Uncollateralized	<u>1,781,180</u>	<u>1,717,364</u>
Total Bank Balance	<u>\$ 78,707,095</u>	<u>\$ 53,051,594</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 Balance</u>	<u>Billings</u>	<u>Total Collections</u>	<u>Percentage of Collections</u>
2021	\$ 8,364,258	\$ 84,731,755	\$ 85,332,926	91.66%
2020	10,811,564	84,732,457	87,179,763	91.25%
2019	10,617,237	84,778,781	84,584,455	88.67%

Accounts Receivable

At December 31, 2021 and 2020, the balance in Accounts Receivable was \$7,763,087 and \$8,364,258, 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 balances 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 balances by the municipal tax collectors is subsequently forwarded to the Authority.

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

During the year ended December 31, 2021, the following changes in Capital Assets occurred:

	<u>Balance</u> <u>Jan. 1, 2021</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Capital Assets, not being depreciated:					
Land	\$ 6,440,900				\$ 6,440,900
Construction in Progress	77,051,779	\$ 17,955,923	\$ (53,045,786)		41,961,916
Total Capital Assets not being depreciated	83,492,679	17,955,923	(53,045,786)	\$ -	48,402,816
Capital Assets, being depreciated:					
Plant, In Service:					
Preliminary Treatment Facility	30,970,508				30,970,508
Secondary Treatment Plant	306,753,698		53,045,786	(575,000)	359,224,484
Interceptors	174,526,643				174,526,643
Compost Facility	55,342,819				55,342,819
Pump Stations	185,149,925				185,149,925
Metering Stations	5,139,651				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	535,872		(197,073)	3,096,215
Plant Machinery	34,839,452	2,206,183		(1,379,291)	35,666,344
Sundry	9,762,470	208,003		(519,586)	9,450,887
Total Capital Assets being depreciated	918,881,923	2,950,058	53,045,786	(2,670,950)	972,206,817
Less Accumulated Depreciation	514,107,873	25,039,498		(1,896,083)	537,251,288
Total Capital Assets being depreciated, Net	404,774,050	(22,089,440)	53,045,786	(774,867)	434,955,529
Total Capital Assets, Net	\$ 488,266,729	\$ (4,133,517)	\$ -	\$ (774,867)	\$ 483,358,345

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

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 4: DETAIL NOTES – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**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, 2021, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>Jan. 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Due Within</u> <u>One Year</u>
Bonds and Loans Payable:					
Revenue Bonds Payable	\$ 71,613,426	\$ 23,397,518	\$ 28,170,202	\$ 66,840,742	\$ 6,058,093
Loans Payable	157,498,551	57,582,992	81,208,291	133,873,252	16,360,928
Add:					
Premium on Bonds	3,046,173		379,136	2,667,037	
Total Bonds and Loans Payable	232,158,150	80,980,510	109,757,629	203,381,031	22,419,021
Other Liabilities:					
Net Pension Liability	19,723,991	10,125,556	16,374,434	13,475,113	
Accrued Liability - Related to Pensions	661,573	666,059	661,573	666,059	
Net OPEB Liability	27,413,632	19,992,013	19,964,284	27,441,361	
Total Other Liabilities	47,799,196	30,783,628	37,000,291	41,582,533	-
Total Long-Term Liabilities	\$ 279,957,346	\$ 111,764,138	\$ 146,757,920	\$ 244,963,564	\$ 22,419,021

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>
Bonds and Loans Payable:					
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	
Total Bonds and Loans Payable	211,528,065	55,519,057	34,888,972	232,158,150	88,571,329
Other Liabilities:					
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	
Total Other Liabilities	42,737,235	36,290,187	31,228,226	47,799,196	-
Total Long-Term Liabilities	\$ 254,265,300	\$ 91,809,244	\$ 66,117,198	\$ 279,957,346	\$ 88,571,329

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, 2021 and 2020.

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 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.

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.

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

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.

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.

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

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.

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, 2021, 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 (640-17) from the New Jersey Infrastructure Bank in the amount of \$2,641,264 at no interest. 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 June 10, 2021, the New Jersey Infrastructure Bank issued permanent financing for this interim loan through Environmental Infrastructure Bonds, Series 2021A-1.

On March 20, 2018, the Authority closed on an interim loan (640-18) from the New Jersey Infrastructure Bank in the amount of \$76,164,967 at no interest. 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 June 10, 2021, the New Jersey Infrastructure Bank issued permanent financing for part of this interim loan through Environmental Infrastructure Bonds, Series 2021A-1. The remaining \$4,171,373 was rolled into interim loan (640-18R). The maturity date of the loan is June 30, 2024 or the date of closing for the anticipated permanent financing program of NJIB.

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

On December 21, 2018, the Authority closed on an interim loan (640-22) from the New Jersey Infrastructure Bank in the amount of \$2,005,428 at no interest. 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 June 10, 2021, the New Jersey Infrastructure Bank issued permanent financing for this interim loan through Environmental Infrastructure Bonds, Series 2021A-1.

On April 5, 2019, the Authority closed on an interim loan (640-16) from the New Jersey Infrastructure Bank in the amount of \$7,281,494 at no interest. 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 June 10, 2021, the New Jersey Infrastructure Bank issued permanent financing for this interim loan through Environmental Infrastructure Bonds, Series 2021A-1.

On May 15, 2019, the Authority closed on an interim loan (640-23) from the New Jersey Infrastructure Bank in the amount of \$4,213,812 at no interest. 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. On June 10, 2021, the New Jersey Infrastructure Bank issued permanent financing for this interim loan through Environmental Infrastructure Bonds, Series 2021A-1.

On June 21, 2019, the Authority closed on an interim loan (640-24) from the New Jersey Infrastructure Bank in the amount of \$3,795,997 at no interest. The loan proceeds held by NJIB are being used to fund the costs of upgrades to plant to receive more wet weather flow. On June 10, 2021, the New Jersey Infrastructure Bank issued permanent financing for this interim loan through Environmental Infrastructure Bonds, Series 2021A-1.

On June 21, 2019, the Authority closed on an interim loan (640-13) 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 September 25, 2020, the Authority closed on an interim loan (640-26) 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 (640-28) 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 (345040-01) 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 (640-20) 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.

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

On June 10, 2021, the Authority closed on permanent financing loans from the New Jersey Infrastructure Bank totaling \$4,595,000 from the Trust and \$14,126,023 from the Fund. The loan proceeds were used pay off funds drawn down by the Authority from interim loans 640-16, 640-22, 640-23, and 640-24. 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, 2050. The Trust Loan carries interest rates from 2% to 5%, with a final maturity of August 1, 2050.

On June 10, 2021, the Authority also closed on permanent financing loans from the New Jersey Infrastructure Bank totaling \$17,770,000 from the Trust and \$40,318,114 from the Fund, net of principal forgiveness in the amount of \$14,345,096. The principal forgiveness portion does not require repayment and was recorded as a capital contribution in the financial statements. The loan proceeds were used to pay off funds drawn down by the Authority from interim loans 640-17 and 640-18. 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, 2050. The Trust Loan carries interest rates from 2% to 5%, with a final maturity of August 1, 2050.

Authority Subordinate Bonds

The 2006, 2007, 2008, 2010, 2012, 2013, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 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).

The following schedule reflects the Debt Requirements until 2050.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 22,419,021	\$ 1,694,351	\$ 24,113,372
2023	12,294,969	1,545,163	13,840,132
2024	45,790,916	1,388,839	47,179,755
2025	12,009,200	1,245,568	13,254,768
2026	10,958,167	1,080,781	12,038,948
2027-2031	42,264,807	3,486,563	45,751,370
2032-2036	14,753,863	1,905,068	16,658,931
2037-2041	14,223,249	1,308,501	15,531,750
2042-2046	14,524,018	787,687	15,311,705
2047-2050	11,475,784	235,687	11,711,471
	<u>200,713,994</u>	<u>\$ 14,678,208</u>	<u>\$ 215,392,202</u>
Adjustments:			
Bond Premium	2,667,037		
	<u>\$ 203,381,031</u>		

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

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

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. 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, 2021 and 2020:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Vacation Time	\$ 367,026	\$ 366,329
Comp Time	96,778	95,104
	<u>\$ 463,804</u>	<u>\$ 461,433</u>

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 (NJPDDES) permitting system required under the CWA, whereby a person must obtain a NJPDDES 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, 2021 and 2020, the penalties receivable amounted to \$0 and \$46,275, respectively. In accordance with the state statute, no allowance has been made for the collectability of this amount. Also, at December 31, 2021 and 2020, the amount due to the NJDEP for 10 percent of the penalties collected was \$243,921 and \$246,021, respectively.

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

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

Net OPEB Liability

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

Pension Plans

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

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

General Information about the Pension Plans**Plan Descriptions**

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 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. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier Definition

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

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

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

Contributions

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

The Authority's contractually required contribution rate for the years ended December 31, 2021 and 2020 was 15.79% and 16.01% of the Authority's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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, 2021, the Authority's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$1,332,117, and was payable by April 1, 2022. For the prior year 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 paid by April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 and 2020 were \$638,882 and \$628,869, 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 P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Authority contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2021 and 2020, employee contributions totaled \$1,831 and \$2,170, respectively. The Authority recognized pension expense of \$999 and \$1,922 for the years ended December 31, 2021 and 2020, which equaled the required contributions. There were no forfeitures during the years.

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

Pension Liability - As of December 31, 2021, the Authority's proportionate share of the PERS net pension liability was \$13,475,113. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. 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, 2021 measurement date, the Authority's proportion was .1137476342%, which was a decrease of .0072036459% from its proportion measured as of June 30, 2020.

As of December 31, 2020, the Authority's proportionate share of the PERS 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.

Pension (Benefit) Expense - For the years ended December 31, 2021 and 2020, the Authority recognized its proportionate share of the PERS pension (benefit) expense of (\$1,917,499) and \$907,587, respectively. These amounts were based on the Plan's June 30, 2021 and 2020 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 (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources – At December 31, 2021 and 2020, the Authority had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Measurement Date</u>		<u>Measurement Date</u>	
	<u>June 30, 2021</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2020</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	\$ 212,520	\$ 96,466	\$ 359,141	\$ 69,753
Changes of Assumptions	70,178	4,797,227	639,869	8,258,622
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	3,549,699	674,182	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	875,185	1,584,207	1,424,026	639,298
Authority Contributions Subsequent to the Measurement Date	666,059	-	661,573	-
	<u>\$ 1,823,942</u>	<u>\$ 10,027,599</u>	<u>\$ 3,758,791</u>	<u>\$ 8,967,673</u>

Deferred outflows of resources in the amounts of \$669,059 and \$661,573 will be included as a reduction of the net pension liability during the years ending December 31, 2022 and 2021, respectively. These amounts are based on an estimated April 1, 2023 and April 1, 2022 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2021 and 2020 to the Authority's year end of December 31, 2021 and 2020. Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending</u>	
<u>December 31,</u>	
2022	\$ (3,332,639)
2023	(2,285,576)
2024	(1,747,670)
2025	(1,464,471)
2026	(39,360)
	<u>\$ (8,869,716)</u>

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 (Cont'd)****Public Employees' Retirement System (Cont'd)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Changes of Assumptions		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2014	-	-	June 30, 2014	6.44	-
June 30, 2015	5.72	-	June 30, 2015	5.72	-
June 30, 2016	5.57	-	June 30, 2016	5.57	-
June 30, 2017	5.48	-	June 30, 2017	-	5.48
June 30, 2018	-	5.63	June 30, 2018	-	5.63
June 30, 2019	5.21	-	June 30, 2019	-	5.21
June 30, 2020	5.16	-	June 30, 2020	-	5.16
June 30, 2021	-	5.13	June 30, 2021	5.13	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments			Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2014	-	-	June 30, 2014	6.44	6.44
June 30, 2015	-	-	June 30, 2015	5.72	5.72
June 30, 2016	5.00	-	June 30, 2016	5.57	5.57
June 30, 2017	-	5.00	June 30, 2017	5.48	5.48
June 30, 2018	-	5.00	June 30, 2018	5.63	5.63
June 30, 2019	-	5.00	June 30, 2019	5.21	5.21
June 30, 2020	-	5.00	June 30, 2020	5.16	5.16
June 30, 2021	-	5.00	June 30, 2021	5.13	5.13

Actuarial Assumptions – Public Employees' Retirement System

The net pension liability was measured as of June 30, 2021 and 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 and 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, 2021 and 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Measurement Date June 30, 2021</u>	<u>Measurement Date June 30, 2020</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.00% - 6.00%	2.00% - 6.00%
Thereafter	3.00% - 7.00%	3.00% - 7.00%
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

⁽¹⁾ Based on Years of Service

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Actuarial Assumptions – Public Employees' Retirement System (Cont'd)**

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

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.

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2021 and 2020 measurement dates) 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, 2021 and 2020 are summarized in the table below:

<u>Asset Class</u>	<u>Measurement Date</u> <u>June 30, 2021</u>		<u>Measurement Date</u> <u>June 30, 2020</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>
U.S. Equity	27.00%	8.09%	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.71%	13.50%	8.57%
Emerging Markets Equity	5.50%	10.96%	5.50%	10.23%
Private Equity	13.00%	11.30%	13.00%	11.42%
Real Estate	8.00%	9.15%	8.00%	9.56%
Real Assets	3.00%	7.40%	3.00%	9.73%
High Yield	2.00%	3.75%	2.00%	5.95%
Private Credit	8.00%	7.60%	8.00%	7.59%
Investment Grade Credit	8.00%	1.68%	8.00%	2.67%
Cash Equivalents	4.00%	0.50%	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.35%	3.00%	3.40%
	<u>100.00%</u>		<u>100.00%</u>	

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Actuarial Assumptions – Public Employees' Retirement System (Cont'd)**

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all 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 in determining the total pension liability.

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.

Sensitivity of Authority's Proportionate Share of Net Pension Liability to Changes in the Discount Rate – Public Employees' Retirement System

The following presents the Authority's proportionate share of the net pension liability as of the June 30, 2021 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:

	December 31, 2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's Proportionate Share of the Net Pension Liability	\$ 18,350,371	\$ 13,475,113	\$ 9,337,765

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

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

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

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

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. On April 1, 2021, the Authority was billed and paid for their final annual installment of \$56,655.

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 \$198,686 and \$175,480, for the years ended December 31, 2021 and December 31, 2020, respectively. These amounts represent 2.35% and 2.12% of the Authority's covered payroll. During the years ended December 31, 2021 and December 31, 2020, 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, 2021, the Authority's proportionate share of the net OPEB liability was \$24,557,102.

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

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, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the Authority's proportion was .136430%, which was a decrease of .001766% from its proportion measured as of the June 30, 2020 measurement date.

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.

OPEB (Benefit) Expense - At December 31, 2021, the Authority's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date, is (\$27,191).

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).

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, 2021 and 2020, the Authority had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Measurement Date</u>		<u>Measurement Date</u>	
	<u>June 30, 2021</u>		<u>June 30, 2020</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	\$ 551,032	\$ 5,137,708	\$ 653,252	\$ 4,618,502
Changes of Assumptions	3,532,612	4,340,756	3,709,524	5,515,471
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	11,742	-	15,750	-
Changes in Proportion	2,062,834	2,884,449	2,491,798	3,218,905
Contributions Subsequent to the Measurement Date	99,486	-	89,871	-
	<u>\$ 6,257,706</u>	<u>\$ 12,362,913</u>	<u>\$ 6,960,195</u>	<u>\$ 13,352,878</u>

Deferred outflows of resources in the amount of \$99,486 was the result of the Authority contributions subsequent to the Plan's measurement date of June 30, 2021. This amount will be included as a reduction of the Authority's net OPEB liability during the year ending December 31, 2022. Deferred outflows of resources in the amount of \$89,871 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.

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	-
June 30, 2021	-	7.82
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	-
June 30, 2021	7.82	-
Net Difference between Projected and Actual Investment 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	-
June 30, 2021	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
June 30, 2021	7.82	7.82

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, 2022	\$ (1,762,266)
December 31, 2023	(1,764,195)
December 31, 2024	(1,765,957)
December 31, 2025	(932,606)
December 31, 2026	(268,420)
Thereafter	288,751
	<u>\$ (6,204,693)</u>

Actuarial Assumptions

The actuarial valuation at June 30, 2021 and 2020 used the following actuarial assumptions, applied to all periods in the measurement:

	<u>Measurement Date June 30, 2021</u>	<u>Measurement Date June 30, 2020</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, 2021 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-2021. 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.

Actuarial assumptions used in the June 30, 2020 and June 30, 2019 valuation were based on the results of the PERS experience studies prepared for July 1, 2014 to June 30, 2018.

100% of active members in both the June 30, 2021 and June 30, 2020 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 pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2021 and 2020 were 2.16% and 2.21%, 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, 2021 measurement date, health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription
	Pre-65	PPO Post-65	HMP Post-65	Drug Trend
2021	5.65%	13.08%	13.76%	6.75%
2022	5.55%	3.34%	3.22%	6.50%
2023	5.45%	0.52%	0.17%	6.25%
2024	5.35%	7.56%	7.79%	6.00%
2025	5.20%	14.43%	15.23%	5.50%
2026	5.00%	12.55%	13.19%	5.00%
2027	4.75%	8.95%	9.29%	4.75%
2028	4.50%	5.92%	6.04%	4.50%
2029	4.50%	5.38%	5.46%	4.50%
2030	4.50%	4.86%	4.89%	4.50%
2031	4.50%	4.55%	4.56%	4.50%
2032 and Later	4.50%	4.50%	4.50%	4.50%

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.

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**

The net OPEB liability as of June 30, 2021, the Plan's measurement date, for the Authority calculated using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	December 31, 2021		
	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
Authority's Proportionate Share of the Net OPEB Liability	<u>\$ 28,898,999</u>	<u>\$ 24,557,102</u>	<u>\$ 21,116,056</u>

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:

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

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

The Authority's proportionate share of the net OPEB liability as of June 30, 2021, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	December 31, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's Proportionate Share of the Net OPEB Liability	<u>\$ 20,488,894</u>	<u>\$ 24,557,102</u>	<u>\$ 29,865,610</u>

The Authority's proportionate share of the net OPEB liability as of June 30, 2020, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

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

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****OPEB Plan Fiduciary Net Position**

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

Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan**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, 2021 and 2020, the following employees were covered by the benefit terms:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	50	43
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments		
Active Employees	<u>101</u>	<u>104</u>
	<u>151</u>	<u>147</u>

Contributions

Employees are not required to contribute to the plan.

Total OPEB Liability

The Authority's total OPEB liability of \$2,884,259 as of December 31, 2021 and \$2,612,131 as of December 31, 2020 was measured as of December 31, 2021 and December 31, 2020, respectively. The liabilities were determined by an actuarial valuation as of December 31, 2020 and December 31, 2019, respectively.

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 2021.
- Non-disabled Retiree – RP-2000 Healthy Annuitant projected with scale AA to 2021.
- Disabled Retiree – RP-2000 Disabled Retiree Mortality projected with scale AA to 2021.

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, 2020 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, 2021 and 2020, respectively:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Balance at Beginning of Year	\$2,612,131	\$2,569,506
Changes for the Year:		
Service Cost	\$ 214,716	\$ 190,769
Interest Cost	55,153	69,750
Benefit Payments	(235,977)	(238,858)
Changes of Assumptions	80,180	139,805
Differences Between Expected and Actual Demographic Experience	<u>158,056</u>	<u>(118,841)</u>
Net Changes	<u>272,128</u>	<u>42,625</u>
Balance at End of Year	<u><u>\$2,884,259</u></u>	<u><u>\$2,612,131</u></u>

Changes in Benefits Terms – There were no significant changes of benefit terms at December 31, 2021.

Changes in Assumptions – For 2021, the discount rate changed from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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:

	December 31, 2021		
	1.00% Decrease (1.06%)	Current Discount Rate (2.06%)	1.00% Increase (3.06%)
Total OPEB Liability	<u>\$ 3,148,307</u>	<u>\$ 2,884,259</u>	<u>\$ 2,653,359</u>
	December 31, 2020		
	1.00% Decrease (1.12%)	Current Discount Rate (2.12%)	1.00% Increase (3.12%)
Total OPEB Liability	<u>\$ 2,842,162</u>	<u>\$ 2,612,131</u>	<u>\$ 2,409,670</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:

	December 31, 2021		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	<u>\$ 2,573,082</u>	<u>\$ 2,884,259</u>	<u>\$ 3,258,526</u>
	December 31, 2020		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	<u>\$ 2,338,892</u>	<u>\$ 2,612,131</u>	<u>\$ 2,937,797</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, 2021 and 2020, the Authority recognized OPEB (benefit) expense of \$379,038 and \$329,981, respectively. At December 31, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>December 31, 2021</u>		<u>December 31, 2020</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	\$ 160,019	\$ 59,942	\$ 116,504	\$ 107,809
Differences Between Expected and Actual Demographic Experience	<u>307,660</u>	<u>79,227</u>	<u>289,782</u>	<u>99,034</u>
	<u>\$ 467,679</u>	<u>\$ 139,169</u>	<u>\$ 406,286</u>	<u>\$ 206,843</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</u> <u>December 31,</u>	
2022	\$ 109,164
2023	93,243
2024	43,201
2025	43,201
2026	39,701
Thereafter	<u>-</u>
	<u>\$ 328,510</u>

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

At December 31, 2021 and 2020, 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, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 2021</u>
Deferred Outflows of Resources - Related to OPEB				
State Plan	\$ 6,960,195	\$ 931,879	\$ (1,634,368)	\$ 6,257,706
Authority Plan	406,286	238,236	(176,843)	467,679
Total Deferred Outflows of Resources - Related to OPEB	\$ 7,366,481	\$ 1,170,115	\$ (1,811,211)	\$ 6,725,385
Net OPEB Liability				
State Plan	\$ 24,801,501	\$ 19,483,908	\$ (19,728,307)	\$ 24,557,102
Authority Plan	2,612,131	508,105	(235,977)	2,884,259
Total Net OPEB Liability	\$ 27,413,632	\$ 19,992,013	\$ (19,964,284)	\$ 27,441,361
Deferred Inflows of Resources - Related to OPEB				
State Plan	\$ 13,352,878	\$ 2,316,798	\$ (3,306,763)	\$ 12,362,913
Authority Plan	206,843	-	(67,674)	139,169
Total Deferred Inflows of Resources - Related to OPEB	\$ 13,559,721	\$ 2,316,798	\$ (3,374,437)	\$ 12,502,082
	<u>Balance</u> <u>December 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 2020</u>
Deferred Outflows of Resources - Related to OPEB				
State Plan	\$ 1,709,916	\$ 6,773,131	\$ (1,522,852)	\$ 6,960,195
Authority Plan	403,617	139,805	(137,136)	406,286
Total Deferred Outflows of Resources - Related to OPEB	\$ 2,113,533	\$ 6,912,936	\$ (1,659,988)	\$ 7,366,481
Net OPEB Liability				
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
Total Net OPEB Liability	\$ 20,496,647	\$ 22,710,316	\$ (15,793,331)	\$ 27,413,632
Deferred Inflows of Resources - Related to OPEB				
State Plan	\$ 15,489,488.00	\$ 885,855	\$ (3,022,465)	\$ 13,352,878
Authority Plan	155,676.00	118,841	(67,674)	206,843
Total Deferred Inflows of Resources - Related to OPEB	\$ 15,645,164	\$ 1,004,696	\$ (3,090,139)	\$ 13,559,721

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, 2021 and 2020, the Authority paid \$15,000,000 and \$15,000,000, respectively, to the County under this agreement.

Note 7: COMMITMENTS

The Authority had several outstanding or planned construction projects as of December 31, 2021. These projects are evidenced by contractual commitments with contractors and include:

<u>Project</u>	<u>Awarded</u>	<u>Commitments Remaining</u>
Raw Sewage Pump Upgrade	Eastern Environmental	\$ 335,480
Berlin Force Main Rehabilitation	Mount Construction	72,948
Dredging of Newton Lake	Mobile Dredging	12,373,383
North Camden Infrastructure Project	JPC	164,294
Return Sludge Piping Contract	Allied Construction	8,351,730
Large Pump Station Electrical Upgrades	Huges Electric	4,076,300
		<u>\$ 12,781,811</u>

Change Orders to Contracts

During the year 2021, 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-21:3-48	Construction management services for wet weather upgrades
R-21:5-78	Energy consultant services – understanding and assessing needs & goals
R-21:6-105	CCMUA admin and services building renovations
R-21:11-168	Supply and delivery of sodium hypochlorite solution

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 several government entities located in the County of Camden. 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

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, 2021 and 2020, the balance in the Reserve for Workers' Compensation Insurance Trust Fund was \$4,098,995 and \$4,122,364, respectively. The 2022 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

NJIB Permanent Financing – On June 7, 2022, the New Jersey Infrastructure Bank issued \$51,935,000 Environmental Infrastructure Bonds, Series 2022A-1 (Green Bonds) for the benefit of the “Series 2022A-1 Borrowers”. On December 6, 2022, the New Jersey Infrastructure Bank issued \$86,530,000 Environmental Infrastructure Bonds, Series 2022A-2 (Green Bonds) for the benefit of the “Series 2022A-2 Borrowers”. The Authority is both a “Series 2022A-1 Borrower” and a “Series 2022A-2 Borrower” and received permanent financing on several interim financing loans as follows:

	<u>I-Bank Loan Amount</u>	<u>Fund Loan Amount</u>
Series 2022A-1 S340640-13/28	\$ 3,745,000	\$ 8,645,480
Series 2022A-2 S340640-18R, -20, S345040-01	1,090,000	1,723,718
	<u>\$ 4,835,000</u>	<u>\$ 10,369,198</u>

The series 2022A-1 trust loan amount carries interest rates from 3.25% to 5%. The series 2022A-1 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, 2051.

The series 2022A-2 trust loan amount carries annual interest rate of 5%. The series 2022A-2 fund loan amount net of principal forgiveness in the amount of \$1,741,816, and is interest free with semi-annual principal payments on February 1 and August 1 each year until final maturity on August 1, 2052.

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 Nine Plan Years

	Measurement Date Ending June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net Pension Liability	0.1137476342%	0.1209512801%	0.1201879785%	0.1121747151%	0.1157735181%
Authority's Proportionate Share of the Net Pension Liability	\$ 13,475,113	\$ 19,723,991	\$ 21,656,050	\$ 22,086,642	\$ 26,950,224
Authority's Covered Payroll (Plan Measurement Period)	\$ 8,296,160	\$ 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	162.43%	227.59%	253.38%	282.79%	333.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	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 Nine Years

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Contractually Required Contribution	\$ 1,332,117	\$ 1,323,146	\$ 1,169,075	\$ 1,115,776	\$ 1,072,518
Authority's Contribution in Relation to the Contractually Required Contribution	(1,332,117)	(1,323,146)	(1,169,075)	(1,115,776)	(1,072,518)
Authority's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll (Calendar Year)	\$ 8,438,568	\$ 8,266,871	\$ 8,584,163	\$ 8,600,601	\$ 7,958,244
Authority's Contributions as a Percentage of its Covered Payroll	15.79%	16.01%	13.62%	12.97%	13.48%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
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 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 Proportionate Share of the Net OPEB Liability -
 State Health Benefits Local Government Retired Employees Plan
 Last Five Plan Years

	Measurement Date Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability	0.136430%	0.138196%	0.132342%	0.140977%	0.131533%
Authority's Proportionate Share of the Net OPEB Liability	\$ 24,557,102	\$ 24,801,501	\$ 17,927,141	\$ 22,086,328	\$ 26,853,499
Authority's Covered Payroll (Plan Measurement Period)	\$ 8,306,719	\$ 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	295.63%	294.22%	207.71%	263.61%	340.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	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 Five Years

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Required Contributions	\$ 198,686	\$ 175,480	\$ 160,831	\$ 291,047	\$ 332,198
Authority's Contributions in Relation to the Required Contribution	<u>(198,686)</u>	<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>	<u>\$ -</u>
Authority's Covered Payroll (Calendar Year)	\$ 8,438,568	\$ 8,266,871	\$ 8,584,163	\$ 8,600,601	\$ 7,958,244
Authority's Contributions as a Percentage of Covered Payroll	2.35%	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 Four Years

	<u>Year Ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 214,716	\$ 190,769	\$ 168,012	\$ 178,346
Interest Cost	55,153	69,750	94,221	79,321
Benefit Payments	(235,977)	(238,858)	(312,572)	(367,039)
Differences Between Expected and Actual Experience	158,056	(118,841)	310,601	258,565
Actuarial Assumption Changes	80,180	139,805	(60,379)	(178,955)
Net Change in Total OPEB Liability	272,128	42,625	199,883	(29,762)
Total OPEB Liability - Beginning of Year	2,612,131	2,569,506	2,369,623	2,399,385
Total OPEB Liability - End of Year	<u>\$ 2,884,259</u>	<u>\$ 2,612,131</u>	<u>\$ 2,569,506</u>	<u>\$ 2,369,623</u>
Covered Payroll	\$ 8,296,160	\$ 8,666,376	\$ 8,546,900	\$ 7,810,000
Total OPEB Liability as a Percentage of Covered Payroll	34.77%	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

Required Supplementary Information
 Notes to Required Supplementary Information
 For the Year Ended December 31, 2021

Note 1: POSTEMPLOYMENT BENEFITS - PENSION**Public Employees' Retirement System (PERS)*****Changes in Benefit Terms:***

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

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>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

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>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Required Supplementary Information
 Notes to Required Supplementary Information (Cont'd)
 For the Year Ended December 31, 2021

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 July 1, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting and /or changing Chapter 48 provisions.

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>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

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

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

In October 2021, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2021. The MP-2021 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, 2021 measurement, the discount rate was updated from 2.12% to 2.06% 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, 2021

	<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	\$ 95,247,266					\$ 95,247,266
Operating Expenses	36,635,258	\$ 25,039,498				61,674,756
Operating Income (Loss)	58,612,008	(25,039,498)	\$ -	\$ -	\$ -	33,572,510
Non-operating Revenue (Expenses):						
Investment Income	24,947			13,467	1,088	39,502
Grant Revenues	23,301					23,301
Interest Expense on Long Term Debt			(1,156,341)			(1,156,341)
Bond Issuance Costs		(917,187)				(917,187)
Payment of Shared Services Agreement to County of Camden		(15,000,000)				(15,000,000)
Loss on Disposal of Capital Assets		(774,867)				(774,867)
Community Service Projects		1,128,877				1,128,877
Total Non-operating Revenue (Expenses)	48,248	(15,563,177)	(1,156,341)	13,467	1,088	(16,656,715)
Income (Loss) Before Transfers	58,660,256	(40,602,675)	(1,156,341)	13,467	1,088	16,915,795
Capital Contributions		14,345,096				14,345,096
Transfers	(26,184,952)	22,972,166	1,156,341	(13,467)	2,069,912	-
Change in Net Position	32,475,304	(3,285,413)			2,071,000	31,260,891
Total Net Position, January 1	(26,020,949)	303,515,495			7,453,000	284,947,546
Total Net Position, December 31	\$ 6,454,355	\$ 300,230,082	\$ -	\$ -	\$ 9,524,000	\$ 316,208,437
Analysis of Balance, December 31:						
Net Investment in Capital Assets		\$ 300,230,082				\$ 300,230,082
Restricted for Bond Resolution Covenants					\$ 9,524,000	9,524,000
Unrestricted	\$ 6,454,355					6,454,355
	\$ 6,454,355	\$ 300,230,082	\$ -	\$ -	\$ 9,524,000	\$ 316,208,437

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Cash Receipts, Cash Disbursements
and Changes in Cash and Cash Equivalents
For the Year Ended December 31, 2021

	<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, 2021	\$ 36,286,893	\$ 1,102,098	\$ 8,252,147	\$ 18,868,030	\$ 64,509,168
Cash Receipts:					
User Charges	85,332,926				85,332,926
Investment Income	25,242	13,494	1,287		40,023
Proceeds from Issuance of Long Term Debt, Net of Cash Held by Fiscal Agents		98,954,536			98,954,536
Capital Contributions				14,345,096	14,345,096
Non-operating Revenues	23,301				23,301
Transfer from Unrestricted Accounts	3,716,165	27,647,471	1,270,566		32,634,202
Connection Fees and Other Revenues	10,820,760				10,820,760
Total Cash Receipts and Investments Available	<u>136,205,287</u>	<u>127,717,599</u>	<u>9,524,000</u>	<u>33,213,126</u>	<u>306,660,012</u>
Cash Disbursements:					
Operating Expenditures	41,625,091				41,625,091
Payments of Defeased Bonds		98,389,930			98,389,930
Debt Principal Payments		10,988,563			10,988,563
Interest Paid		1,315,162			1,315,162
Bond Issuance Costs		917,187			917,187
Payment of Shared Services Agreement to County of Camden		15,000,000			15,000,000
Capital Expenditures, Net of Change in Retainages				20,474,434	20,474,434
Transfer to Restricted Accounts	28,918,037			3,716,165	32,634,202
Total Cash Disbursements	<u>70,543,128</u>	<u>126,610,842</u>	<u>-</u>	<u>24,190,599</u>	<u>221,344,569</u>
Cash and Cash Equivalents -- December 31, 2021	<u>\$ 65,662,159</u>	<u>\$ 1,106,757</u>	<u>\$ 9,524,000</u>	<u>\$ 9,022,527</u>	<u>\$ 85,315,443</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, 2021

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable-- (Unfavorable)</u>
Operating Revenues:				
User Charges and Fees	\$ 85,294,537	\$ 85,294,537	\$ 84,731,755	\$ (562,782)
Connection Fees	2,319,903	2,319,903	6,313,137	3,993,234
Other Operating Revenues	2,305,745	2,305,745	4,202,374	1,896,629
Total Operating Revenues	89,920,185	89,920,185	95,247,266	5,327,081
Non-Operating Revenues:				
Interest on Investments and Deposits	12,000	12,000	39,502	27,502
Grant Revenues			23,301	23,301
Total Non-Operating Revenues	12,000	12,000	62,803	50,803
Total Budget Revenues	89,932,185	89,932,185	95,310,069	5,377,884
Operating Appropriations:				
Administration:				
Salary & Wages				
Regular Time	2,616,542	2,579,769	2,310,213	269,556
Overtime		36,773	26,936	9,837
Fringe Benefits	3,021,126	3,021,126	2,790,597	230,529
Other Expenses	5,309,296	5,309,296	5,038,760	270,536
Total Administration	10,946,964	10,946,964	10,166,506	780,458
Cost of Providing Services:				
Salary & Wages				
Regular Time	9,072,322	8,285,172	7,721,255	563,917
Overtime		787,150	872,831	(85,681)
Fringe Benefits	3,357,674	3,357,674	2,444,608	913,066
Other Expenses	25,944,279	25,944,279	19,059,519	6,884,760
Total Cost of Providing Services	38,374,275	38,374,275	30,098,213	8,276,062
Total Principal Payments on Debt Service	12,820,121	12,820,121	10,988,563	1,831,558
Total Operating Appropriations	62,141,360	62,141,360	51,253,282	10,888,078
Non-Operating Appropriations:				
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	1,862,499	1,862,499	1,156,341	706,158
Total Non-Operating Appropriations	24,862,499	24,862,499	16,156,341	8,706,158
Total Budget Appropriations	87,003,859	87,003,859	67,409,623	19,594,236
Excess Revenues over Expenses and Other Costs	\$ 2,928,326	\$ 2,928,326	\$ 27,900,446	\$ 24,972,120

(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, 2021

Adjustments to Reconcile Excess Revenues over Expenses and	
Other Costs to GAAP Basis Operating Income:	
Excess Revenues over Expenses and Other Costs (Schedule 3)	\$ 27,900,446
Less: Investment Income	(39,502)
Less: Grant Revenues	(23,301)
Less: Depreciation	(25,039,498)
Add: GASB 68 Pension Benefit	3,240,646
Add: Shared Services Agreement Payment to the County of Camden	15,000,000
Add: GASB 75 OPEB Expense Adjustment	388,815
Add: Principal Payments on Bonds	10,988,563
Add: Interest Payments	<u>1,156,341</u>
Total Operating Income (Exhibit B)	<u><u>\$ 33,572,510</u></u>

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Analysis of Investment Income Receivable
 For the Year Ended December 31, 2021

	<u>Balance Jan. 1, 2021</u>	<u>Investment Income Earned</u>	<u>Investment Income Collected</u>	<u>Balance Dec. 31, 2021</u>
Unrestricted Assets:				
Revenue Account	\$ 593	\$ 24,947	\$ 25,242	\$ 298
Restricted Assets:				
Debt Service Reserve Account	33	13,467	13,494	6
Renewal and Replacement Account	247	1,088	1,287	48
	<u>280</u>	<u>14,555</u>	<u>14,781</u>	<u>54</u>
	<u>\$ 873</u>	<u>\$ 39,502</u>	<u>\$ 40,023</u>	<u>\$ 352</u>

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Bonds
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Debt Issued</u>	<u>Paid 2021</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>						
County Agreement Sewer Revenue Bonds, Series 2006A	10/11/06	\$ 5,000,000	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>\$ 1,700,000</u>		<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 1,700,000</u>
NJEIT Sewer Wastewater Treatment Bonds, Series 2012A (CW) (640-12)	05/03/12	1,100,000			5.00%	55,000	-	55,000	-	-
NJEIT Sewer Wastewater Treatment Bonds, Series 2012A (PF) (CW) (640-10)	05/03/12	14,375,000			5.00%	755,000	-	755,000	-	-
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2012B-R (Partial Refunding 2006A)	08/14/12	5,808,090	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>\$ 2,635,176</u>		<u>3,217,125</u>	<u>-</u>	<u>581,949</u>	<u>-</u>	<u>2,635,176</u>
NJEIT Sewer Wastewater Treatment Bonds, Series 2013A (CW)	09/01/13	1,820,000	08/01/22	\$ 95,000	5.00%					
			08/01/23	100,000	5.00%					
			08/01/24	105,000	4.00%					
			08/01/25	110,000	4.00%					
			08/01/26	110,000	5.00%					
			08/01/27	115,000	5.00%					
			08/01/28	120,000	4.25%					
			08/01/29	120,000	4.50%					
			08/01/30	125,000	4.50%					
			08/01/31	130,000	4.50%					
			08/01/32	130,000	4.25%					
							<u>\$ 1,260,000</u>		<u>1,350,000</u>	<u>-</u>
NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-1 (CW) 14	05/28/15	1,325,000	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%					

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Bonds
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Debt Issued</u>	<u>Paid 2021</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>						
NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-1 (CW) 14 (Cont'd)			08/01/33	\$ 95,000	4.00%					
			08/01/34	100,000	4.00%					
				<u>\$ 1,025,000</u>		<u>\$ 1,080,000</u>	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$ -</u>	<u>\$ 1,025,000</u>
NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-1 (CW) 10-2	05/28/15	\$ 355,000	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>\$ 260,000</u>		<u>280,000</u>	<u>-</u>
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2015B-R (Refunding 2007A)	11/24/15	1,876,000	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>\$ 1,147,000</u>		<u>1,309,000</u>	<u>-</u>	<u>162,000</u>	<u>-</u>	<u>1,147,000</u>
NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-2 (CW) 06-02	11/24/15	365,000	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>\$ 260,000</u>		<u>285,000</u>	<u>-</u>
NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-2 (CW) 14-1	11/24/15	105,000	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%								

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Bonds
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Debt Issued</u>	<u>Paid 2021</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>						
NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-2 (CW) 14-1 (Cont'd)			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>\$ 80,000</u>		<u>\$ 85,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 80,000</u>
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2016A-R1 (Refunding 2008A)	05/10/16	\$ 3,641,000	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>\$ 2,726,000</u>		<u>3,044,000</u>	<u>-</u>	<u>318,000</u>	<u>-</u>	<u>2,726,000</u>	
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2016A-R2 (Refunding 2010B)	05/10/16	3,031,000	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%					
			08/01/28	317,000	4.50%					
			08/01/29	329,000	4.50%					
			08/01/30	345,000	4.50%					
				<u>\$ 2,594,000</u>		<u>2,817,000</u>	<u>-</u>	<u>223,000</u>	<u>-</u>	<u>2,594,000</u>
NJEIT Environmental Infrastructure Refunding Bonds, Series 2017A-R2 (Refunding 2010A) (Green Bonds)	01/31/17	1,356,000	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>\$ 1,045,000</u>		<u>1,153,000</u>	<u>-</u>	<u>108,000</u>	<u>-</u>	<u>1,045,000</u>
NJEIT Environmental Infrastructure Green Bonds, Series 2017A-1	05/25/17	1,370,000	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%						

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Bonds
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Debt Issued</u>	<u>Paid 2021</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>						
NJEIT Environmental Infrastructure Green Bonds, Series 2017A-1 (Cont'd)			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>\$ 1,255,000</u>		<u>\$ 1,285,000</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 1,255,000</u>
NJIB Construction Financing Program, Series 2018 CFP-18-1 (640-17)	01/12/18	\$ 679,929				679,929	-	-	679,929	-
NJIB Construction Financing Program, Series 2018 CFP-18-2 (640-18)	03/20/18	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				516,249	-	-	516,249	-
NJIB Construction Financing Program, Series 2019 CFP-19-3 (640-13)	06/21/19	2,660,000	06/30/22	<u>\$ 2,660,000</u>		2,660,000	-	-	-	2,660,000
NJIB Construction Financing Program, Series 2019 CFP-19-4 (640-24)	06/21/19	985,000				985,000	-	-	985,000	-
Environmental Infrastructure Refunding Bonds, Series 2020A-R1 (Refunding 2003A)	06/17/20	295,077	08/01/22	\$ 96,931	3.000%					
			08/01/23	100,637	3.000%					
				<u>\$ 197,568</u>			295,077	-	97,509.00	-
Environmental Infrastructure Refunding Bonds, Series 2020A-R1 (Refunding 2006A)	06/17/20	562,216	08/01/24	<u>\$ 562,216</u>	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%					

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Bonds
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Debt Issued</u>	<u>Paid 2021</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>						
Environmental Infrastructure Refunding Bonds, Series 2020C-R1 (Refunding 2012A - 640-10) (Cont'd)			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%					
				<u>\$ 9,293,438</u>		<u>\$ 9,293,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,293,438</u>
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%					
			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>		<u>687,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>687,872</u>
NJIB Construction Financing Program, Series 2020 CFP-2020-1 (640-23)	08/26/20	1,437,500				1,437,500.00	-	-	1,437,500	-
NJIB Construction Financing Program, Series 2020 CFP-2020-2 (640-16)	09/25/20	2,119,242				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
NJIB Environmental Infrastructure Bonds, Series 2021A-1 (640-16/22/23/24)	06/10/21	4,595,000	08/01/22	\$ 95,000	5.000%					
			08/01/23	95,000	5.000%					
			08/01/24	100,000	5.000%					
			08/01/25	105,000	5.000%					
			08/01/26	105,000	5.000%					

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Bonds
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Debt Issued</u>	<u>Paid 2021</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>						
NJIB Environmental Infrastructure Bonds, Series 2021A-1 (640-16/22/23/24) (Cont'd)			08/01/27	\$ 115,000	5.000%					
			08/01/28	125,000	5.000%					
			08/01/29	130,000	5.000%					
			08/01/30	130,000	4.000%					
			08/01/31	145,000	3.000%					
			08/01/32	145,000	3.000%					
			08/01/33	150,000	3.000%					
			08/01/34	150,000	3.000%					
			08/01/35	155,000	3.000%					
			08/01/36	160,000	2.000%					
			08/01/37	160,000	3.000%					
			08/01/38	170,000	3.000%					
			08/01/39	180,000	2.000%					
			08/01/40	180,000	2.000%					
			08/01/41	185,000	2.000%					
			08/01/42	185,000	2.000%					
			08/01/43	185,000	2.000%					
			08/01/44	195,000	2.000%					
			08/01/45	200,000	2.000%					
			08/01/46	200,000	2.000%					
		08/01/47	200,000	2.250%						
		08/01/48	210,000	2.250%						
		08/01/49	215,000	2.250%						
		08/01/50	225,000	2.250%						
				<u>\$ 4,595,000</u>		<u>\$ -</u>	<u>\$ 4,595,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,595,000</u>
NJIB Environmental Infrastructure Bonds, Series 2021A-1 (640-17/18)	06/10/21	\$ 17,770,000	08/01/22	\$ 355,000	5.000%					
			08/01/23	370,000	5.000%					
			08/01/24	390,000	5.000%					
			08/01/25	410,000	5.000%					
			08/01/26	430,000	5.000%					
			08/01/27	450,000	5.000%					
			08/01/28	470,000	5.000%					
			08/01/29	495,000	5.000%					
			08/01/30	520,000	4.000%					
			08/01/31	540,000	3.000%					
			08/01/32	555,000	3.000%					
			08/01/33	575,000	3.000%					
			08/01/34	590,000	3.000%					
			08/01/35	610,000	3.000%					
			08/01/36	625,000	2.000%					
			08/01/37	640,000	3.000%					
08/01/38	660,000	3.000%								
08/01/39	675,000	2.000%								
08/01/40	690,000	2.000%								
08/01/41	705,000	2.000%								

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Bonds
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Debt Issued</u>	<u>Paid 2021</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>						
NJIB Environmental Infrastructure Bonds, Series 2021A-1 (640-17/18) (Cont'd)			08/01/42	\$ 720,000	2.000%					
			08/01/43	730,000	2.000%					
			08/01/44	745,000	2.000%					
			08/01/45	760,000	2.000%					
			08/01/46	775,000	2.000%					
			08/01/47	790,000	2.250%					
			08/01/48	815,000	2.250%					
			08/01/49	830,000	2.250%					
			08/01/50	850,000	2.250%					
				<u>\$ 17,770,000</u>			\$ -	\$ 17,770,000	\$ -	\$ -
NJIB Construction Financing Program, Series 2021 CFP-2021-1 (640-18R)	06/10/21	\$ 1,032,518	06/30/24	<u>\$ 1,032,518</u>		-	1,032,518	-	-	1,032,518
Grand Total						<u>\$ 71,613,426</u>	<u>\$ 23,397,518</u>	<u>\$ 2,825,458</u>	<u>\$ 25,344,744</u>	<u>\$ 66,840,742</u>
		Refunding Cash					\$ 22,365,000		\$ 25,344,744	
		Cash					1,032,518	\$ 2,825,458		
							<u>\$ 23,397,518</u>	<u>\$ 2,825,458</u>	<u>\$ 25,344,744</u>	
		County Agreement Sewer Revenue Bonds								\$ 1,700,000
		NJEIT / NJIB Refunding Bonds								20,888,270
		NJEIT / NJIB Serial Bonds								26,505,000
		NJIB Interim / Construction Financing Program								<u>17,747,472</u>
										<u>\$ 66,840,742</u>

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Loans Payable
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Loans</u> <u>Issued</u>	<u>Paid</u> <u>2021</u>	<u>Balance</u> <u>Dec. 31, 2021</u>		
2003 NJEIT Loan Series 2003	11/08/03	\$ 3,755,879	02/01/22	\$ 8,726						
			08/01/22	188,153						
			02/01/23	4,464						
			08/01/23	192,436						
				<u>\$ 393,779</u>			<u>\$ 598,733</u>	<u>\$ -</u>	<u>\$ 204,954</u>	<u>\$ 393,779</u>
2006 NJEIT Loan Series 2006B	11/09/06	25,351,847	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>\$ 5,662,181</u>			<u>7,155,578</u>	<u>-</u>	<u>1,493,397</u>	<u>5,662,181</u>			
2007 NJEIT Loan Series 2007A	11/08/07	7,612,500	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>\$ 2,690,244</u>			<u>3,140,878</u>	<u>-</u>	<u>450,634</u>	<u>2,690,244</u>
2008 NJEIT Loan Series 2008A	11/06/08	16,042,800	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						

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Loans Payable
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Loans</u> <u>Issued</u>	<u>Paid</u> <u>2021</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
2008 NJEIT Loan Series 2008A (Cont'd)			02/01/27	\$ 41,528				
			08/01/27	851,004				
			02/01/28	21,291				
			08/01/28	872,927				
				<u>\$ 6,234,652</u>	<u>\$ 7,120,943</u>	<u>\$ -</u>	<u>\$ 886,291</u>	<u>\$ 6,234,652</u>
2010 NJEIT Loan Series 2010A	03/20/10	\$ 2,070,000	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				
				<u>\$ 887,143</u>	<u>998,036</u>	<u>-</u>	<u>110,893</u>	<u>887,143</u>
2010 NJEIT Loan Series Fall 2010B	03/20/10	14,867,980	02/01/22	\$ 260,842				
			08/01/22	521,683				
			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				

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Loans Payable
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Loans</u> <u>Issued</u>	<u>Paid</u> <u>2021</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	
2010 NJEIT Loan Series Fall 2010B (Cont'd)			02/01/30	\$ 260,842					
			08/01/30	521,684					
				<u>\$ 7,042,728</u>	\$ 7,825,253	\$ -	\$ 782,525	\$ 7,042,728	
2012 NJEIT Loan Series 2012ABC (CW)	05/03/12	\$ 3,397,500	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>\$ 1,887,500</u>	2,076,250	-	188,750	1,887,500	
2012 NJEIT Loan Series 2012ABC (PF) (CW)	05/03/12	34,037,500	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								

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Loans Payable
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Loans</u> <u>Issued</u>	<u>Paid</u> <u>2021</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
2012 NJEIT Loan Series 2012ABC (PF) (CW) (Cont'd)			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				
				<u>\$ 21,476,893</u>	<u>\$ 23,660,984</u>	<u>\$ -</u>	<u>\$ 2,184,091</u>	<u>\$ 21,476,893</u>
2013 NJEIT Loan Series 2013A (CW)	09/01/13	\$ 4,625,562	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				
			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							
			<u>\$ 2,863,443</u>	<u>3,127,761</u>	<u>-</u>	<u>264,318</u>	<u>2,863,443</u>	
2015 NJEIT Loan Series 2015A-1 (CW) 14	05/28/15	2,242,750	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				

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Loans Payable
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Loans</u> <u>Issued</u>	<u>Paid</u> <u>2021</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
2015 NJEIT Loan Series 2015A-1 (CW) 14 (Cont'd)			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				
				<u>\$ 1,534,513</u>		<u>\$ 1,652,552</u>	<u>\$ -</u>	<u>\$ 118,039</u>
2015 NJEIT Loan Series 2015A-1 (CW) 10-2	05/28/15	\$ 993,413	02/01/22	\$ 18,744				
			08/01/22	37,487				
			02/01/23	18,744				
			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>\$ 618,540</u>		<u>674,771</u>	<u>-</u>	<u>56,231</u>	<u>618,540</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Loans Payable
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Loans</u> <u>Issued</u>	<u>Paid</u> <u>2021</u>	<u>Balance</u> <u>Dec. 31, 2021</u>			
2015 NJEIT Loan Series 2015A-2 (CW) 06-02	11/24/15	\$ 1,159,679	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>\$ 711,621</u>	<u>\$ 790,690</u>	<u>\$ -</u>	<u>\$ 79,069</u>	<u>\$ 711,621</u>
			2015 NJEIT loan Series 2015A-2 (CW) 14-1	11/24/15	317,250	02/01/22	\$ 5,665				
08/01/22	11,331										
02/01/23	2,796										
	<u>\$ 19,792</u>	<u>36,787</u>				<u>-</u>	<u>16,995</u>	<u>19,792</u>			
2017 NJEIT Loan Series 2017A-1 (PF)	05/25/17	3,000,174	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							

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Loans Payable
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Loans</u> <u>Issued</u>	<u>Paid</u> <u>2021</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
2017 NJEIT Loan Series 2017A-1 (PF) (Cont'd)			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				
			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>\$ 2,377,126</u>	<u>\$ 2,480,580</u>	<u>\$ -</u>	<u>\$ 103,454</u>	<u>\$ 2,377,126</u>
NJIB Construction Financing Program, Series 2018 CFP-18-1 (640-17)	01/12/18	\$ 1,961,335			1,961,335	-	1,961,335	-
NJIB Construction Financing Program, Series 2018 CFP-18-2 (640-18)	03/20/18	56,558,143			56,558,143	-	56,558,143	-
NJIB Construction Financing Program, Series 2018 CFP-18-3 (640-22)	12/21/18	1,489,179			1,489,179	-	1,489,179	-
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

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Loans Payable
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Loans</u> <u>Issued</u>	<u>Paid</u> <u>2021</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
NJIB Construction Financing Program, Series 2019 CFP-19-4 (640-24)	06/21/19	\$ 2,810,997			\$ 2,810,997	\$ -	\$ 2,810,997	\$ -
NJIB Construction Financing Program, Series 2020 CFP-2020-1 (640-23)	08/26/20	4,146,312			4,146,312	-	4,146,312	-
NJIB Construction Financing Program, Series 2020 CFP-2020-2 (640-16)	09/25/20	6,079,220			6,079,220	-	6,079,220	-
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
2021 NJIB Loan Series 2021A-1 (640-16/22/23/24)	06/10/21	14,126,023	2/1 & 8/1/22	\$ 476,158				
			2/1 & 8/1/23	476,158				
			2/1 & 8/1/24	476,158				
			2/1 & 8/1/25	476,158				
			2/1 & 8/1/26	476,158				
			2/1 & 8/1/27	476,158				
			2/1 & 8/1/28	476,158				
			2/1 & 8/1/29	476,158				
			2/1 & 8/1/30	476,158				
			2/1 & 8/1/31	476,158				
			2/1 & 8/1/32	476,158				
			2/1 & 8/1/33	476,158				
			2/1 & 8/1/34	476,158				
			2/1 & 8/1/35	476,158				
			2/1 & 8/1/36	476,158				
			2/1 & 8/1/37	476,158				
			2/1 & 8/1/38	476,158				
			2/1 & 8/1/39	476,158				
			2/1 & 8/1/40	476,158				
			2/1 & 8/1/41	476,158				
			2/1 & 8/1/42	476,158				
			2/1 & 8/1/43	476,158				
			2/1 & 8/1/44	476,158				

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Loans Payable
 For the Year Ended December 31, 2021

<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, 2021</u>	<u>Loans</u> <u>Issued</u>	<u>Paid</u> <u>2021</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
2021 NJIB Loan Series 2021A-1 (640-16/22/23/24) (Cont'd)			2/1 & 8/1/45	\$ 476,158				
			2/1 & 8/1/46	476,158				
			2/1 & 8/1/47	476,158				
			2/1 & 8/1/48	476,158				
			2/1 & 8/1/49	476,159				
			2/1 & 8/1/50	476,159				
				<u>\$ 13,808,584</u>	<u>\$ -</u>	<u>\$ 14,126,023</u>	<u>\$ 317,439</u>	<u>\$ 13,808,584</u>
2021 NJIB Loan Series 2021A-1 Principal Forgiveness (640-17/18)	06/10/21	\$ 40,318,114	2/1 & 8/1/22	\$ 1,359,038				
			2/1 & 8/1/23	1,359,037				
			2/1 & 8/1/24	1,359,038				
			2/1 & 8/1/25	1,359,037				
			2/1 & 8/1/26	1,359,038				
			2/1 & 8/1/27	1,359,037				
			2/1 & 8/1/28	1,359,038				
			2/1 & 8/1/29	1,359,037				
			2/1 & 8/1/30	1,359,038				
			2/1 & 8/1/31	1,359,037				
			2/1 & 8/1/32	1,359,038				
			2/1 & 8/1/33	1,359,037				
			2/1 & 8/1/34	1,359,038				
			2/1 & 8/1/35	1,359,037				
			2/1 & 8/1/36	1,359,038				
			2/1 & 8/1/37	1,359,037				
			2/1 & 8/1/38	1,359,038				
			2/1 & 8/1/39	1,359,037				
			2/1 & 8/1/40	1,359,038				
			2/1 & 8/1/41	1,359,037				
			2/1 & 8/1/42	1,359,038				
			2/1 & 8/1/43	1,359,037				
			2/1 & 8/1/44	1,359,038				
			2/1 & 8/1/45	1,359,037				
			2/1 & 8/1/46	1,359,038				
			2/1 & 8/1/47	1,359,037				
			2/1 & 8/1/48	1,359,038				
			2/1 & 8/1/49	1,359,038				
2/1 & 8/1/50	1,359,038							
				<u>\$ 39,412,089</u>	<u>-</u>	<u>40,318,114</u>	<u>906,025</u>	<u>39,412,089</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Loans Payable
 For the Year Ended December 31, 2021

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Date</u>	<u>Loan Payments Amount</u>	<u>Balance Jan. 1, 2021</u>	<u>Loans Issued</u>	<u>Paid 2021</u>	<u>Balance Dec. 31, 2021</u>
NJIB Construction Financing Program, Series 2021 CFP-2021-1 (640-18R)	06/10/21	\$ 3,138,855	06/30/24	<u>\$ 3,138,855</u>	\$ -	\$ 3,138,855	\$ -	\$ 3,138,855
Grand Total					<u>\$ 157,498,551</u>	<u>\$ 57,582,992</u>	<u>\$ 81,208,291</u>	<u>\$ 133,873,252</u>
						Cash Held by Fiscal Agent	\$ 57,582,992	\$ 73,045,186
						Cash	<u>8,163,105</u>	<u>81,208,291</u>
						<u>\$ 57,582,992</u>	<u>\$ 81,208,291</u>	

**CAMDEN COUNTY
MUNICIPAL UTILITIES AUTHORITY**

PART II

SINGLE AUDIT SECTION

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

**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

Opinion on Each Major Federal and State Program

We have audited the Camden County Municipal Utilities Authority's (the Authority), in the County of Camden, State of New Jersey, a component unit of the County of Camden, compliance with the types of compliance requirements identified as subject to audit 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, 2021. 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*.

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 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, 2021.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements of State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Bureau of Authority Regulation, Department of Community Affairs, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

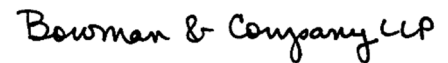
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
May 15, 2023

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2021

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Federal Award Identification Number (FAIN)	State GMIS Number	Pass-through Entity Id Number	Program or Award Amount	Matching Funds	Grant Period From To	
U.S. Department of Environmental Protection Agency									
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 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
Dredging of Newton Lake	66.458	none	not known	not known	S340640-26	11,738,530	n/a	09/25/20	Open
Berlin Force Main Rehabilitation	66.458	none	not known	not known	S340640-28	1,452,255	n/a	09/25/20	Open
Green Infrastructure in Camden City	66.458	none	not known	not known	S340640-20	1,246,834	n/a	12/10/20	Open
Camden and Gloucester Cities Long Term Control Plan	66.458	none	not known	not known	S345040-01	928,198	n/a	12/10/20	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.S. Department of Homeland Security									
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	066-1200-100-C50	not applicable	514,575	n/a	03/01/20	12/31/20
(Presidentially Declared Disasters) (Coronavirus Pandemic)	97.036	COVID-19	not known	066-1200-100-C50	not applicable	263,673	n/a	01/01/21	12/31/21
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, 2021

Receivable Balance Dec. 31, 2020	Revenue Recognized	Cash Receipts	Passed- Through to Subrecipients	Adjustments	Total Federal Disbursements / Expenditures	Receivable Balance Dec. 31, 2021		(Memo Only)	
						Project Funds Balance	Unreimbursed Expenditures	Cash Received 2021	Accumulated Expenditures
\$ 758,715	\$ -	\$ -	\$ -	\$ (758,715)	\$ -	\$ -	\$ -	\$ -	\$ 1,202,620
6,370,036		3,272,482		(3,097,554)	3,272,482			3,272,482	53,460,589
11,415		8,411		(3,004)	8,411			8,411	1,486,175
5,510,097		4,595,664			4,595,664	914,433		4,595,664	6,679,661
489,008		399,253		(89,755)	399,253			399,253	5,982,656
1,012,423		748,345		(264,078)	748,345			748,345	3,872,060
461,830		435,964		(25,866)	360,876			435,964	2,785,131
	11,738,530	4,351,405			4,351,405	7,387,125		4,351,405	4,351,405
	1,452,255	1,302,827			1,302,827	149,428		1,302,827	1,302,827
	1,246,834	975,059			975,059	271,775		975,059	975,059
	928,198	859,588			859,588	68,610		859,588	859,588
14,613,524	15,365,817	16,948,998	-	(4,238,972)	16,873,910	8,791,371	-	16,948,998	82,957,771
140,547		57,661			23,301	82,886		57,661	175,114
140,547	-	57,661	-	-	23,301	82,886	-	57,661	175,114
14,754,071	15,365,817	17,006,659	-	(4,238,972)	16,897,211	8,874,257	-	17,006,659	83,132,885
514,575		514,575						514,575	514,575
	263,673	167,798			263,673		95,875	167,798	263,673
514,575	263,673	682,373	-	-	263,673	-	95,875	682,373	778,248
\$ 15,268,646	\$ 15,629,490	\$ 17,689,032	\$ -	\$ (4,238,972)	\$ 17,160,884	\$ 8,874,257	\$ 95,875	\$ 17,689,032	\$ 83,911,133

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2021

<u>State Grantor/ Program Title</u>	<u>State GMIS Number</u>	<u>Pass-through Grantors' Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</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 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
Dredging of Newton Lake	Unknown	S340640-26	11,738,530	09/25/20	Open
Berlin Force Main Rehabilitation	Unknown	S340640-28	1,452,255	09/25/20	Open
Green Infrastructure in Camden City	Unknown	S340640-20	415,611	12/10/20	Open
Camden and Gloucester Cities Long Term Control Plan	Unknown	S345040-01	309,399	12/10/20	Open

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, 2021

Receivable Balance Dec. 31, 2020	Revenue Recognized	Cash Receipts	Adjustments	Disbursements or Expenditures	Receivable Balance Dec. 31, 2021		(Memo Only)	
					Project Funds Balance	Unreimbursed Expenditures	Cash Received 2021	Accumulated Expenditures
\$ 252,905	\$ -	\$ -	\$ (252,905)	\$ -	\$ -	\$ -	\$ -	\$ 400,873
2,123,345		1,090,827	(1,032,518)	1,090,827			1,090,827	17,820,196
3,805		2,804	(1,001)	2,804			2,804	495,392
1,836,699		1,531,888		1,531,888	304,811		1,531,888	2,226,554
163,003		133,084	(29,919)	133,084			133,084	1,994,218
337,475		249,449	(88,026)	249,449			249,449	1,290,687
153,944		145,322	(8,622)	120,292			145,322	928,377
	11,738,530	4,351,405		4,351,405	7,387,125		4,351,405	4,351,405
	1,452,255	1,302,826		1,302,826	149,429		1,302,826	1,302,826
	415,611	325,020		325,020	90,591		325,020	325,020
	309,399	286,529		286,529	22,870		286,529	286,529
<u>\$ 4,871,176</u>	<u>\$ 13,915,795</u>	<u>\$ 9,419,154</u>	<u>\$ (1,412,991)</u>	<u>\$ 9,394,124</u>	<u>\$ 7,954,826</u>	<u>\$ -</u>	<u>\$ 9,419,154</u>	<u>\$ 31,422,077</u>

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended December 31, 2021

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, 2021. 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 project funds receivable against short-term construction financing loans payable when permanent financings were issued.

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, 2021**

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

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, 2021

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, 2021

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