

**REPORT OF AUDIT**  
**SUSSEX COUNTY**  
**MUNICIPAL UTILITIES AUTHORITY**  
**NOVEMBER 30, 2023**

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**

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## **Introductory Section**

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**ROSTER OF OFFICIALS**  
**NOVEMBER 30, 2023**

Authority Members

Title

Commissioners

Ronald Petillo	Chairman
John Drake	Vice Chairman
Andrea Cocula	Secretary
Wayne Dietz	Commissioner
Thomas Madsen	Commissioner
Karl Meyer	Commissioner
John Wesley	Commissioner
John Finkeldie	Commissioner
Robert Dabinett	Commissioner

Other Officials

Joseph Sesto	Executive Director
Timothy Day	Comptroller
Timothy Phillips	Superintendent - Wasterwater Facilities
Jon Morris	Superintendent - Solid Waste Facilities
Joseph Sesto	Chief Engineer
ARM Group	Consulting Engineers - Solid Waste
Hazen & Sawyer	Consulting Engineers - Wastewater
Cleary, Giacobbe, Alfieri, Jacobs LLC	General Counsel
Hall and Associates	Special Counsel
Sills, Cummis & Gross, P.C.	Special Counsel
Archer & Greiner, P.C.	Bond Counsel
US Bank	Trustee
Wielkotz & Company, LLC	Auditors

Surety Company

Commissioners and the Authority Treasurer listed above are covered by Public Officials Legal Liability Policy in the amount of \$5,000,000 issued by Statewide Insurance Fund, Policy No. SIF2019-07848 for the period January 1, 2023 to January 1, 2024.

**Financial Section**





# WIELKOTZ & COMPANY L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Honorable Chairperson and Members  
Sussex County Municipal Utilities Authority  
Lafayette, NJ 07848

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

#### *Opinions*

We have audited the accompanying statements of net position of the Sussex County Municipal Utilities Authority as of November 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, 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 Sussex County Municipal Utilities Authority, as of November 30, 2023 and 2022, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. 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 Sussex County Municipal Utilities Authority and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.



***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 misstatements, 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 Sussex County Municipal Utilities 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 opinions. 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement 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 judgement, 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, and the schedule of the Authority's proportionate share of the net pension liability and the Authority's proportionate share of the Net OPEB Liability as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information

has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Management is responsible for the other information included in the annual report. The other information comprises the letter of comments and recommendations section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024 on our consideration of the Sussex County Municipal Utilities 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 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 Sussex County Municipal Utilities Authority's internal control over financial reporting and compliance.

*Wielkocz & Company, LLC*  
WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 1, 2024



## **Management Discussion and Analysis**

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

*As management of the Sussex County Municipal Utilities Authority, we offer the Authority's financial statements this narrative overview and analysis of the Authority's financial performance during the fiscal year ended November 30, 2023 and 2022. Please read this analysis in conjunction with the Authority's financial statements, which follow this section.*

**Financial Highlights**

- The Authority's liabilities exceeded its assets by \$(1,551,950) (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$927,589.
- Total net position are comprised of the following:
  - (1) Net Investment in Capital Assets, of \$1,610,913 include plant and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net position of \$1,671,063 are restricted by constraints imposed from outside the Authority such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position of \$(4,833,926) represent the portion available to maintain the Authority's continuing obligations to citizens and creditors.
- Total liabilities of the Authority increased by \$8,347,369 \$148,156,833 during the fiscal year primarily due to increases in the Authority's closure and postclosure liabilities and loans payable.

**Overview of the Financial Statements**

This annual report includes this management discussion, the independent auditor's report and the basic financial statements of the Authority. The financial statements also include notes that explain in more detail some of the information in the financial statements.

***Required Financial Statements***

The financial statements of the Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The *Statement of Net Position* includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the authority.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses and Changes in Net Position*. This statement measures the results of the Authority operations over the past year and can be used to determine whether the Authority has recovered all its costs through its user fees and other charges, operational stability and credit worthiness.

The final required financial statement is the *Statement of Cash Flows*. This statement reports cash receipts and cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as what operational sources provided cash, what was the cash used for, and what was the change in cash balance during the reporting period.

***Notes to the Financial Statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the financial statements. The notes to the financial statements begin immediately following the basic financial statements.

***Other Information***

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. This supplementary information follows the notes to the financial statements.

**Financial Analysis of the Authority**

One of the most important questions asked about the Authority's finances is "Is the Authority as a whole better able to fulfill its mission as a result of this year's activities?" The *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Net Position* report information about the Authority's activities in a way that will help answer this question. These two statements report net position of the Authority and the changes in those assets. The reader can think of the Authority's net position – the difference between assets and deferred outflows and liabilities and deferred inflows of resources – as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider the non-financial factors such as changes in economic conditions, population growth, development, and new or changed government regulation.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Net Position**

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Authority as a whole.

The Authority's net position at fiscal year-end are \$(1,551,950). This is a \$2,479,539 decrease under last year's net position of \$927,589. A summary of the Authority's statement of net position is presented in the following table:

**Condensed Statement of Net Position  
(000's)**

	<u>FY 2023</u>	<u>FY 2022</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>FY 2021</u>
Current and Other Assets	57,703	57,641	62	0.11%	72,357
Capital Assets	91,070	86,830	4,240	4.88%	72,013
Deferred Outflows of Resources	<u>9,982</u>	<u>7,824</u>	<u>2,158</u>	27.58%	<u>8,439</u>
Total Assets and Deferred Outflows	<u>158,755</u>	<u>152,295</u>	<u>6,460</u>		<u>152,809</u>
Long-term Debt Outstanding	91,598	88,638	2,960	3.34%	89,392
Other Liabilities	56,559	51,171	5,388	10.53%	53,864
Deferred Inflows of Resources	<u>12,150</u>	<u>11,558</u>	<u>592</u>	5.12%	<u>12,512</u>
Total Liabilities and Deferred Inflows	<u>160,307</u>	<u>151,367</u>	<u>8,940</u>		<u>155,768</u>
Net Investment					
In Capital Assets	1,611	1,801	(190)	(10.55)%	2,572
Restricted	1,671	6,336	(4,665)	(73.63)%	4,808
Unrestricted	<u>(4,834)</u>	<u>(7,210)</u>	<u>2,376</u>	(32.95)%	<u>(10,339)</u>
	<u>(1,552)</u>	<u>927</u>	<u>(2,479)</u>	(267.42)%	<u>(2,959)</u>

The *Statement of Revenues, Expenses and Changes in Net Position* provides answers as to the nature and source of these changes. As can be seen in the following table, net position decreased by \$2,479,539.



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Net Position (Continued)**

**Condensed Statement of Net Position  
(000's)**

	<u>FY 2023</u>	<u>FY 2022</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>FY 2021</u>
Operating Revenues	25,417	23,859	1,558	6.53%	22,710
Non-Operating Revenues	<u>1,239</u>	<u>1,636</u>	<u>(397)</u>	(24.27)%	<u>1,440</u>
Total Revenues	<u>26,656</u>	<u>25,495</u>	<u>1,161</u>		<u>24,150</u>
Depreciation Expense	5,312	4,912	400	8.14%	5,029
Other Operating Expenses	16,259	15,076	1,183	7.85%	14,238
Other Non-Operating Expense	<u>7,564</u>	<u>1,621</u>	<u>5,943</u>	366.63%	<u>6,413</u>
Total Expenses	<u>29,135</u>	<u>21,609</u>	<u>7,526</u>		<u>25,680</u>
Contributions	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Change in Net Position	(2,479)	3,886	(6,365)		(1,530)
Net Position December 1	<u>927</u>	<u>(2,959)</u>	<u>3,886</u>	(131.33)%	<u>(1,429)</u>
Ending Net Position	<u>(1,552)</u>	<u>927</u>	<u>(2,479)</u>	267.42%	<u>(2,959)</u>

The Authority's Operating Revenues increased by \$1,558,072 to \$25,417,272 in 2023 from \$23,859,200 in 2022 primarily due to increases in user charges, operating grants and interest. Nonoperating Revenues decreased by \$397,036 to \$1,239,314 from \$1,636,350 mainly due to increases in net cell closure revenues and renewal and replacement fund appropriations. Non-operating expenses increased by \$5,942,908 to \$7,564,323 primarily due to increases in cell closure/post-closure expenditures and debt issuance costs.

**Budgetary Highlights**

The Authority prepares and submits an annual budget to the State of New Jersey, which approves the budget for adoption by the Authority prior to the beginning of the fiscal year.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

The following table provides a 2023 and 2022 budget comparison:

<b>Budget vs. Actual FY 2023 (000's)</b>			
	<u><b>Budget</b></u>	<u><b>Actual</b></u>	<u><b>Variance</b></u>
Revenues:			
Operating	21,241	25,417	4,176
Non-Operating	<u>1,131</u>	<u>1,239</u>	<u>(108)</u>
	<u>22,372</u>	<u>26,656</u>	<u>4,284</u>
Expenses:			
Operating	19,529	16,259	3,270
Non-Operating	<u>2,843</u>	<u>7,564</u>	<u>(4,721)</u>
	<u>22,372</u>	<u>23,823</u>	<u>(1,451)</u>
Income Before Depreciation and Capital Contributions	<u>0</u>	<u>2,833</u>	<u>2,833</u>

<b>Budget vs. Actual FY 2022 (000's)</b>			
	<u><b>Budget</b></u>	<u><b>Actual</b></u>	<u><b>Variance</b></u>
Revenues:			
Operating	19,049	23,859	4,810
Non-Operating	<u>989</u>	<u>1,636</u>	<u>(647)</u>
	<u>20,038</u>	<u>25,495</u>	<u>5,457</u>
Expenses:			
Operating	17,016	15,076	1,940
Non-Operating	<u>3,022</u>	<u>1,621</u>	<u>1,401</u>
	<u>20,038</u>	<u>16,697</u>	<u>3,341</u>
Income Before Depreciation and Capital Contributions	<u>0</u>	<u>8,798</u>	<u>8,798</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

The SCMUA determines service charges for the various systems (i.e. Upper Wallkill Facilities, Hampton Commons Facility, Solid Waste Facility and Paulinskill Facility) based on each individual facility's annual budget needs including costs and debt service expenses. A public hearing is conducted annually in accordance with NJSA 40:14B.

The Upper Wallkill Facilities sewer users service charges are calculated based on the current year's operating budget. Anticipation of other sources of revenues (septage, sludge, hauled sewage, etc.) are determined with the remaining revenue needs divided up by the system participants based on individual Service Contracts. Each system participant Service Contract outlines the calculation method utilized by the SCMUA.

Hampton Commons Facilities sewer charges are calculated after the current annual budget requirements have been determined. Total operating and maintenance expenses are calculated for the current year. Other non-operations revenue sources are determined and subtracted from the total budget requirement. The remaining amount is billed to Hampton Township and to the Hampton Commons Homeowners Association, which subsequently bills its members.

The Solid Waste Facilities service charges are determined after the budget requirements including operating cost, debt service expenses and revenue requirements are calculated. User charges are calculated based on type of waste and class of user. Tipping fees are determined for waste class and type of user to ensure landfill space utilized equipment expense and staff resources employed are appropriately covered.

The Paulinskill Facilities sewer user charges are calculated based on best estimates of all operating expenses, reserve requirements and USDA loan payment obligations. The calculated user charges will be billed to Branchville and Frankford system participants based on individual service contracts.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

The following are charts for various system service charges calculated for FY 2024:

**Hampton Commons Facility**

<b>a. Hampton Commons FY2024 Budget</b>		\$306,150
<b>b. Investment Earnings</b>		
Earnings on Fund Balances		
R&R Fund	\$38,600	
Operating Fund	215,500	
Average Fund Balance	\$254,100	
Estimated Interest Rate	0.25%	
<b>Projected Investment Earnings</b>	\$2,000	
<b>c. Appropriation from Retained Earnings</b>	\$36,050	
<b>Total Amount of Other Revenues</b>		\$38,150
<b>d. Amount to be Raised by User Charges</b>		\$268,000
<b>e. Calculation of Sewage Treatment Charges</b>		

The Service Agreement with Hampton Township stipulates that a guaranteed minimum flow of 7,000 GPD shall be utilized to calculate the minimum annual charge for the Lowe's Development. Therefore, Sewerage Treatment Charges are calculated as follows:

	GPD	%		Estimated FY23 Annual Charge
Hampton Common Homeowners Assoc.	32,000	82.05%	\$268,000	\$219,897
Township of Hampton	7,000	17.95%	\$268,000	48,103
	39,000	100.00%		\$268,000

Calculations of HCHA per Unit charge

<u>D/S &amp; O&amp;M Expenses</u>	=			FY2024 Estimated User Charges
Units				
<u>\$219,897</u>	=	\$733		per unit
300				

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Solid Waste Facilities**

<b>Tipping Fee Calculation/Analysis:</b>	<b>\$13,844,000</b>
<b>FY2024 Solid Waste Facilities Budget</b>	
<b>Less: Projected Revenues (other than Tipping Fees):</b>	
A. Recycling Market Revenues	\$245,000
C. Non-Operating Revenues	\$454,000
D. Utilization of Unrestricted Assets	\$1,000,000
<b>Total "other" Revenues</b>	<u>1,699,000</u>
<b>Amount to be raised by Tipping Fees</b>	<b>\$12,145,000</b>

**Tipping Fee Calculation with Flow Control, no State/County Aid**

$$\frac{\text{Revenues Necessary from Tip Fee}}{\text{Est. FY2024 Tonnage}} = \frac{\$12,145,000}{110,000} = \boxed{\$110.41} \text{ per ton}$$

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Upper Wallkill Facilities**

**Allocation of Debt Service of Sewer Users (General Charges)**

<b>Participant</b>	<b>GPD</b>		<b>FY2024 Projections</b>	<b>% of Total</b>	<b>FY2024 Gen. Charge</b>
Hamburg Borough	231,000	Actual	\$84,315,000	11.39%	\$122,165
Franklin Borough	424,000	Actual	154,760,000	20.90%	224,234
Wallkill Sewer Co.	93,000	Actual	33,945,000	4.58%	49,183
HTMUA	266,000	actual(a)	97,090,000	13.11%	140,675
Sussex Borough	312,000	GMF	113,880,000	15.38%	165,003
Wantage Twp.	36,500	GMF	13,322,500	1.80%	19,303
Sparta Twp.	205,000	GMF	74,825,000	10.11%	108,415
Vernon Twp.	461,000	GMF	168,265,000	22.73%	243,802
	<u>2,028,500</u>		<u>\$ 740,402,500</u>	<u>100.00%</u>	<u>\$ 1,072,780</u>

**Allocation of O&M Service of Sewer Users (Operations & Maintenance Charge)**

<b>Participant</b>	<b>GPD</b>		<b>FY2024 Projections</b>	<b>% of Total</b>	<b>FY2024 O&amp;M Charge</b>
Hamburg Borough	231,000	Actual	84,315,000	10.97%	539,342
Franklin Borough	424,000	Actual	154,760,000	20.14%	989,962
Wallkill Sewer Co.	93,000	Actual	33,945,000	4.42%	217,138
		GMF/			
HTMUA	312,000	GMF(b)	113,880,000	14.81%	728,462
Sussex Borough	312,000	GMF	113,880,000	14.81%	728,462
Wantage Twp.	63,000	GMF	22,995,000	2.99%	147,093
Sparta Twp.	210,000	GMF	76,650,000	9.97%	490,311
Vernon Twp.	461,000	GMF	168,265,000	21.89%	1,076,350
	<u>2,106,000</u>		<u>\$ 768,690,000</u>	<u>100.00%</u>	<u>\$ 4,917,120</u>

(a) Debt Service – HTMUA/WVRHS Actual. YMCA 8,000 GMF

(b) O&M Charges – HTMUA GMF (302,000 gpd) + YMCA Actual 4,000 gpd) + WVRHS Actual (6,000 gpd)

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**FY2024 Estimated Total Sewer User Charges**

Participant	General Charge	Operating Charge	Proj. FY2024 User Charge	FY2023 Estimated User Charge	% Change
Hamburg Borough	\$122,165	\$539,342	\$661,507	\$574,379	15.17%
Franklin Borough	224,234	989,962	1,214,196	1,008,193	20.43%
Wallkill Sewer Co.	49,183	217,138	266,321	206,001	29.28%
HTMUA	140,675	728,462	869,137	726,047	19.71%
Sussex Borough	165,003	728,462	893,465	756,145	18.16%
Wantage Twp.	19,303	147,093	166,396	139,102	19.62%
Sparta Twp.	108,415	490,311	598,726	506,381	18.24%
Vernon Twp. (A)	<u>1,768,802</u>	<u>1,076,350</u>	<u>2,845,152</u>	<u>2,642,252</u>	<u>7.68%</u>
Comparison all system users	\$2,597,780	\$4,917,120	\$7,514,900	\$6,558,500	14.58%

(A) Added in Vernon Additional Bonds \$1,525,000, will not increase for FY 2024.

Note: Due to system calculations, rounding error may occur

Upper Wallkill System, Average per 1,000 gallon, sewage treatment calculation.

$$\frac{\$5,989,900}{740,402,500} = .00809 \times 1,000 = \$8.09$$

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Paulinskill Facility – FY2024**

**a. Paulinskill Facility Proposed FY 2024 Budget**

Debt Service	\$318,500	
O&M	<u>\$497,100</u>	
Total Budget		\$815,600

- b. Investment Earnings** \$ 2,600
- c. Appropriation from Retained Earnings** \$ 45,000
- d. Connection Fees** \$ 10,000

Connection Fee Calculation:

Debt Service Paid:	FY17	\$318,416 audited
	FY18	\$318,416 audited
	FY19	\$318,416 audited
	FY20	\$318,416 audited
	FY21	\$318,416 audited
	FY22	<u>\$318,417</u> unaudited
	FY23	<u>\$318,500</u> unaudited
Total D/S Paid		\$2,228,997

Total Number of EDU's in Paulinskill System 754.72

Connection Fee Calculation =  $\frac{\text{D/S Paid}}{\text{EDU's}} = \frac{\$2,228,997}{755} = \$2,953 \text{ Per EDU}$

**Total Amount of Other Revenues** \$ 57,600

**e. Amount to be Raised by User Charges** \$ 758,000

**f. Calculation of Sewage Treatment Charges**

The Service Agreement with Frankford Township indicates that the estimated charge for the Township shall be based on the "Committed Flows"

(B'ville Manor (50 edu's & 18 private residents))

The Service Agreement with Branchville indicates that their Assigned Minimum Flow is 144,000 gpd or (144,000 / 210 = 685.72 edu's)



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

	EDU'S	Gals/ EDU	GPD	%	Debt Service	O&M	Est. FY2023 Annual Charges
Branchville Borough	686.72	210	144,211	90.99%	\$289,803	\$399,901	\$689,704
Township of Frankford	<u>68.00</u>	210	<u>14,280</u>	<u>9.01%</u>	<u>\$ 28,697</u>	<u>\$ 39,599</u>	<u>\$ 68,296</u>
	754.72		158,491	100.00%	\$318,500	\$439,500	\$758,500

Calculation of Branchville Borough's Est. FY2024 per EDU Charge

$$\frac{\text{D/S \& O\&M Expenses}}{\text{Units}} = \text{FY2023 Estimated User Charges}$$

$$\frac{\$689,704}{686.72 \text{ EDU's}} = \$1,004 \text{ per unit}$$

Calculation of Frankford Township's Est. FY2024 per EDU Charge

$$\frac{\text{D/S \& O\&M Expenses}}{\text{Units}} = \text{FY2023 Estimated User Charges}$$

$$\frac{\$68,296}{68 \text{ EDU's}} = \$1,004 \text{ per unit}$$

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Capital Assets**

	<u>FY 2023</u>	<u>FY 2022</u>	<u>Dollar Change</u>	<u>FY 2021</u>
Land	3,834	3,834	0	3,834
Improvements	126,558	90,597	35,961	81,937
Buildings	67,856	66,776	1,080	66,776
Machinery and Equipment	<u>26,444</u>	<u>25,194</u>	<u>1,250</u>	<u>24,485</u>
Total Property, Plant and Equipment	224,692	186,401	38,291	177,032
Less: Accumulated Depreciation	<u>(135,020)</u>	<u>(130,282)</u>	<u>(4,738)</u>	<u>(125,964)</u>
	89,672	56,119	33,553	51,068
 Construction in Progress	 <u>1,398</u>	 <u>30,711</u>	 <u>(29,313)</u>	 <u>20,945</u>
Net Property, Plant and Equipment	<u>91,070</u>	<u>86,830</u>	<u>4,240</u>	<u>72,013</u>

The Authority's on-going capital plan is extensive and reviewed each year by the Authority's outside engineers. Several of the larger future capital improvements are listed below.

***Solid Waste Facilities***

Landfill Gas System Improvements

The SCMUA is required to manage landfill gas which is created by the decomposition of solid waste. The landfill gas is collected by a series of landfill gas wells and piping. Currently landfill gas is burned off through an on-site flare. Vendor is currently considering renewable gas option for landfill gas. In 2014, the SCMUA completed installation of a temporary landfill cap to reduce leachate volume and improve landfill gas collection. The SCMUA has budgeted funds to expand and upgrade the collection system. These improvements are designed to control landfill gas emissions. The Authority continues to add landfill gas wells and make improvements to the system.

Mobile Equipment/ Equipment

The SCMUA Solid Waste Facilities relies on a large amount of mobile equipment to perform its mission. In 2023, the SCMUA has budgeted for the repair/replacement of various pieces of equipment that have reached the end of their life cycle.

Leachate Pump Station/Forcemain

In 2022, the SCMUA completed the construction of a leachate pumping station & forcemain project to convey landfill leachate to the Upper Walkkill Facility. This project will be more cost efficient and reduce risks associated with hauling leachate via tanker trucks. This project was funded through the N.J. Infrastructure Bank. The project has gone to permanent financing.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

***Solid Waste Facilities, (continued)***

**Solid Waste Planning**

In 2023, the SCMUA completed construction of a landfill expansion project which is anticipated to allow acceptance of solid waste until 2028. In 2021, SCMUA continued to work with engineer to finalize plans to construct 2 new landfill cells and relocate recycling/ convenience center. The NJDEP approved Sussex County District Solid Waste Management Plan provides for additional landfill expansions in future years which are projected to extend the landfill life to 2066. In 2024 work will begin to permanently cap the north side of cell 3.

***Wastewater Facilities***

**Upper Wallkill Capital Program**

In 2023, a number of projects are proposed utilizing existing Capital Funds. The projects include: replace pumps, replace utility poles, purchase vactor truck, building improvements, replace mixer and flow meter.

**Debt Administration**

Included in the annual service charge the Authority charges its customers an amount equal to the current years debt service. The allocation of debt service is based on the same formula as referenced in the Budgetary Highlights section. The Authority also maintains cash and investments in a sinking fund in an amount no less than what is required to meet the highest debt service requirement in any given year.

At November 30, 2023, the Authority had \$109,559,357 in long term obligations. Of this amount, \$767,198 is for compensated absences, \$324,949 is for a planning loan from Sussex County, \$16,943,884 is the Authority's net OPEB obligation, \$7,524,601 is the Authority's net pension obligation, \$42,068,731 is for Wastewater bonds and notes payable, \$16,761,431 is for Solid Waste program bonds and notes payable, \$24,701,764 is for landfill closure and post-closure accrued liabilities, and Financed Purchases of \$466,799.

Additionally, the Authority has \$32,768,054 in outstanding notes related to a construction loans financed through the New Jersey Infrastructure Bank.

**Economic Factors, Future Years Budgets and Rates**

The Commissioners and management of the Authority consider many factors when preparing each year's budget and service charges. Two of the main factors are growth in the Authority's system and new regulations issued by the State and Federal governments.

## **Basic Financial Statements**

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**COMBINED COMPARATIVE STATEMENTS OF NET POSITION**  
**AS OF NOVEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Unrestricted Current Assets		
Cash and Cash Equivalents	\$ 21,834,185	\$ 20,977,302
Accounts Receivable (net of allowance for uncollectible)	1,127,609	735,634
Prepaid Expenses	50,754	51,194
Due From Central Services	294,597	244,952
Due From State of New Jersey	324,000	324,000
	<hr/>	<hr/>
Total Unrestricted Current Assets	23,631,145	22,333,082
Restricted Current Assets		
Phase 2 Construction Fund		
Cash and Cash Equivalents	4,027,141	3,802,886
Due From NJ Infrastructure Bank	1,069,334	3,255,791
Due From Central Services	2,474	3,002
Phase 3 Construction Fund		
Cash and Cash Equivalents	260,521	260,521
Renewal and Replacement Fund		
Cash and Cash Equivalents	2,747,193	4,026,118
Current Debt Service Fund		
Cash and Cash Equivalents	3,559,444	2,738,973
Retained Percentages Account		
Cash and Cash Equivalents	647,096	496,825
Operations		
Cash and Cash Equivalents	4,362,767	3,911,365
Cell Closure Account		
Cash and Cash Equivalents	3,469,375	3,149,227
Due From Central Services	3,010	3,848
Due From Construction Fund	1,089,725	1,089,725
Landfill Postclosure Account		
Cash and Cash Equivalents	173,536	52,846
Investments	11,988,575	11,853,235
Unemployment Trust Fund		
Cash and Cash Equivalents	274,004	267,479
Investments	397,404	395,779
	<hr/>	<hr/>
Total Restricted Current Assets	34,071,599	35,307,620
	<hr/>	<hr/>
Total Current Assets	57,702,744	57,640,702

See accompanying Notes to the Financial Statements.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINED COMPARATIVE STATEMENTS OF NET POSITION  
AS OF NOVEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Non-Current Assets		
Capital Assets		
Land	3,833,925	3,833,925
Improvements	126,557,493	90,596,723
Buildings	67,856,101	66,776,418
Machinery and Equipment	26,444,445	25,193,666
Accumulated Depreciation	(135,020,462)	(130,282,463)
Construction in Progress	1,398,138	30,711,557
	<hr/>	<hr/>
Total Non-Current Assets	91,069,640	86,829,826
	<hr/>	<hr/>
Total Assets	148,772,384	144,470,528
	<hr/>	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows - PERS	794,434	1,145,527
Deferred Outflows - OPEB	8,235,632	5,645,684
Deferred Loss on Refunding of Debt	952,294	1,032,861
	<hr/>	<hr/>
Total Deferred Outflows of Resources	9,982,360	7,824,072
	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	\$ 158,754,744	\$ 152,294,600
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Current Liabilities (Payable from Unrestricted Assets)		
Payroll Taxes Payable	\$ 7,153	\$ 7,426
Accounts Payable	551,872	792,747
Accounts Payable - PERS	694,323	638,565
Due to Other Funds	300,081	251,802
Escrow Deposits	4,646	4,646
Accrued Interest on Loans		106,017
	<hr/>	<hr/>
Total Current Liabilities Payable from Unrestricted Assets	1,558,075	1,801,203
	<hr/>	<hr/>
Current Liabilities (Payable from Restricted Assets)		
Accounts Payable - Construction	842,320	1,522,558
Retainage Payable	647,096	496,825
Due to Cell Closure - Construction Fund	1,089,725	1,089,725
Bonds and Loans Payable - Current Portion	4,246,415	3,439,593
Construction Loan Payable - NJ Infrastructure Bank	32,768,054	35,836,378
Financed Purchases	257,830	291,959
Accrued Interest on Bonds	1,692,206	1,202,298
	<hr/>	<hr/>
Total Current Liabilities Payable from Restricted Assets	41,543,646	43,879,336
	<hr/>	<hr/>
Total Current Liabilities	43,101,721	45,680,539
	<hr/>	<hr/>

See accompanying Notes to the Financial Statements.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINED COMPARATIVE STATEMENTS OF NET POSITION  
AS OF NOVEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Non-Current Liabilities</b>		
Net Pension Liability - PERS	7,524,601	7,641,917
Net OPEB Liability	16,943,884	15,654,933
Planning Loan - County of Sussex	324,949	324,949
Accrued Liabilities - Closure and Postclosure Costs	24,701,764	19,844,000
Accrued Liabilities - Compensated Absences	767,198	834,542
Financed Purchases	208,969	466,800
USDA Loans Payable	6,880,777	7,017,454
NJEIT Loans Payable	10,331,693	3,384,446
Revenue and Refunding Bonds Payable	<u>37,371,277</u>	<u>38,959,884</u>
Total Non-Current Liabilities	<u>105,055,112</u>	<u>94,128,925</u>
Total Liabilities	<u>148,156,833</u>	<u>139,809,464</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows - PERS	613,247	1,380,935
Deferred Inflows - OPEB	10,088,132	9,126,546
Bond Premiums - Net	<u>1,448,482</u>	<u>1,050,066</u>
Total Deferred Inflows of Resources	<u>12,149,861</u>	<u>11,557,547</u>
Total Liabilities and Deferred Inflows of Resources	<u>160,306,694</u>	<u>151,367,011</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,610,913	1,801,075
Restricted For:		
Debt Service	1,867,238	1,430,658
Renewal and Replacement	2,747,193	4,026,118
Operations	4,362,767	3,911,365
Landfill Cell Closure/Postclosure	(7,977,543)	(3,695,119)
Unemployment Trust	671,408	663,258
Unrestricted		
Designated	2,069,783	1,392,078
Undesignated	<u>(6,903,709)</u>	<u>(8,601,844)</u>
Total Net Position	<u>\$ (1,551,950)</u>	<u>\$ 927,589</u>

See accompanying Notes to the Financial Statements.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINED COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>OPERATING REVENUES</b>		
User Charges	\$ 9,296,591	\$ 7,866,126
Treatment of Sludge, Septage and Leachate	1,207,085	1,327,374
Operating and Maintenance Charges - Municipal	193,100	184,800
Tipping Fees	11,609,206	11,872,922
Recycling Markets	205,693	287,317
Connection Fees	290,941	1,220,300
Operating Grants	895,643	534,726
Finance Charges	28,861	12,529
Interest	1,102,513	172,145
Miscellaneous	587,639	380,961
	<u>25,417,272</u>	<u>23,859,200</u>
<b>OPERATING EXPENSES</b>		
Administration, Operating, Maintenance and Reserves	16,257,520	15,071,991
Other	2,292	3,787
Depreciation	5,311,990	4,912,014
	<u>21,571,802</u>	<u>19,987,792</u>
	<u>3,845,470</u>	<u>3,871,408</u>
<b>OPERATING INCOME (LOSS)</b>		
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest on Investments	341,397	222,651
Budget Appropriation - Renewal and Replacement	420,000	829,000
Budget Appropriation - Cell Closure	400,000	500,000
Budget Appropriation - Vernon Rate Stabilization	4,649	4,499
Interest Expense	(1,097,160)	(652,441)
Lease Interest	(16,451)	
Accreted Interest on Capital Appreciation Bonds	(1,406,393)	(1,437,172)
Amortization of Bond Discount, Premiums	6,515	(9,668)
Investment Expenses	(113,291)	(112,024)

See accompanying Notes to the Financial Statements.



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINED COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>NON-OPERATING REVENUES (EXPENSES), cont:</b>		
Gain on Disposal of Equipment	73,268	80,200
Debt Issuance Costs	(137,309)	(12,132)
Other Non-Operating Expenses	(50,000)	(60,000)
Cell Closure Expenditures (Net)	(5,426,325)	227,002
Postclosure Expenditures (Net)	<u>676,091</u>	<u>435,020</u>
 Total Non-Operating Income (Expenses)	 <u>(6,325,009)</u>	 <u>14,935</u>
 <b>CHANGE IN NET POSITION</b>	 <b>(2,479,539)</b>	 <b>3,886,343</b>
 Net Position, December 1,	 <u>927,589</u>	 <u>(2,958,754)</u>
 Net Position, November 30,	 <u>\$ (1,551,950)</u>	 <u>\$ 927,589</u>

See accompanying Notes to the Financial Statements.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**COMBINED COMPARATIVE STATEMENTS OF CASH FLOWS**  
**AS OF NOVEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Users	\$ 22,119,700	\$ 21,630,859
Cash Received from State of New Jersey	895,643	372,726
Other Operating Receipts	907,441	1,613,790
Interest Received	1,443,910	394,796
Cash Paid to Employees	(5,106,123)	(4,795,184)
Cash Paid for Employee Benefits	(3,041,494)	(2,608,810)
Cash Paid to Suppliers and Professional Contractors	(9,239,177)	(9,281,267)
Other Operating Payments	58,368	(40,833)
Interest Paid	<u>(729,720)</u>	<u>(566,254)</u>
Net Cash Provided by Operating Activities	<u>7,308,548</u>	<u>6,719,823</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bond/Note Proceeds		1,174,832
Received from NJ Infrastructure Bank	7,708,920	18,081,052
Premiums Received		
Issuance Costs Paid	(85,051)	(12,132)
Principal Payments on Bonds and Loans	<u>(3,535,156)</u>	<u>(3,366,209)</u>
Net Cash Used for Capital and Related Financing Activities	<u>4,088,713</u>	<u>15,877,543</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditures	(10,435,057)	(20,578,408)
Received from Sale of Assets	135,123	80,200
Vernon Rate Stabilization Appropriation	4,649	4,499
Renewal and Replacement Fund	420,000	829,000
Cell Closure Appropriation	400,000	500,000
Investment Expenses	(113,291)	(112,024)
Sales (Purchases) of Investments	<u>(136,965)</u>	<u>(388,532)</u>
Net Cash Provided by Investing Activities	<u>(9,725,541)</u>	<u>(19,665,265)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,671,720	2,932,101
Cash and Cash Equivalents, December 1,	<u>39,683,542</u>	<u>36,751,441</u>
Cash and Cash Equivalents, November 30,	<u>\$ 41,355,262</u>	<u>\$ 39,683,542</u>
<b>ANALYSIS OF BALANCE AT NOVEMBER 30</b>		
Unrestricted - Cash and Cash Equivalents	21,834,185	20,977,302
Restricted - Cash and Cash Equivalents	<u>19,521,077</u>	<u>18,706,240</u>
	<u>\$ 41,355,262</u>	<u>\$ 39,683,542</u>

See accompanying Notes to the Financial Statements.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINED COMPARATIVE STATEMENTS OF CASH FLOWS  
AS OF NOVEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>		
Operating Income (Loss)	\$ <u>3,845,470</u>	\$ <u>3,871,408</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	5,311,990	4,912,014
Interest Received on Non-operating Investments	341,397	222,651
Pension Adjustment - PERS	(478,153)	(876,451)
OPEB Adjustment	(339,411)	(2,989)
Interest Paid	(729,720)	(566,254)
Other Non-Operating Expenses	58,368	(40,833)
(Increase)/Decrease in Accounts Receivable	(391,975)	92,320
(Increase)/Decrease in Due From Central Services	(49,645)	26,543
(Increase)/Decrease in Due From State of New Jersey		(162,000)
(Increase)/Decrease in Prepaid Expenses	440	(6,516)
Increase/(Decrease) in Current Liabilities Payable from Unrestricted Assets	(192,869)	(828,577)
Increase/(Decrease) in Non-Current Liabilities	<u>(67,344)</u>	<u>78,507</u>
Total Adjustments	<u>3,463,078</u>	<u>2,848,415</u>
Net Cash Provided by Operating Activities	\$ <u><u>7,308,548</u></u>	\$ <u><u>6,719,823</u></u>

See accompanying Notes to the Financial Statements.

**Notes to Financial Statements**

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**

**1. General**

The Sussex County Municipal Utilities Authority, herein referred to as the “Authority”, is a public body politic and corporate, constituting a political subdivision of the State of New Jersey organized and existing under the provisions of Municipal Utilities Authority Law (New Jersey Revised Statutes 40:14B-1 et seq.) constituting Chapter 183 of the Pamphlet Laws of 1957, and was created by virtue of a resolution of the Board of Chosen Freeholders of the County of Sussex, hereinafter referred to as the “County”, adopted August 10, 1971. The Authority is a component unit of the County of Sussex, New Jersey. As a public body, under existing statute, the Authority is exempt from both federal and state income taxes.

Wastewater

On December 1, 1973, a service contract was entered into between the Sussex County Municipal Utilities Authority and the County of Sussex. Among other things, this contract obligated the Authority to proceed with the planning and studying of the feasibility of the construction and acquisition of such sewerage and water systems and the County to appropriate moneys for the purposes of the Authority and to lend or donate such moneys to the Authority and, after commencement of operation of any such sewerage system or water system, to pay to the Authority such sum or sums of money as may be necessary to provide for deficits (if any) resulting from failure or disability of the Authority to derive adequate revenues from the operation of any such sewerage system or water system.

The Service Contract was approved by the Authority at a meeting of the Authority held on December 19, 1973 and by the County of Sussex at a meeting of the Board of Chosen Freeholders held on December 27, 1973. The following is an extract from the 1973 Service Contract:

Section 412. Repayments to County

- A. The Authority shall repay to the County (a) all moneys lent by the County to the Authority and (b) all moneys advanced by the County for the payment of any Temporary Bonds, which repayment by the Authority to the County shall be made without interest from (i) the proceeds of bonds or Temporary Bonds issued to finance the costs of construction or acquisition of any System for which such moneys were paid by the County to the Authority, or (ii) any moneys received by the Authority from the United States of America, the State of New Jersey, or such agencies of either as grants-in-aid of financing such System.
- B. The Authority shall repay to the County all Annual Charges paid by the County to the Authority under this Agreement, which repayment by the Authority to the County shall be made without interest out of Surplus Funds of the Authority.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**1. General (continued)**

Wastewater (continued)

- C. The Authority shall repay to the County all moneys paid by the County, on or prior to the date of this agreement for or in connection with the Sewerage Systems set forth in Schedule A of the service contract, which repayment by the Authority to the County with respect to any particular Sewerage System shall be made without interest from (i) the proceeds of Bonds or Temporary Bonds issued to finance the cost of construction of such particular Sewerage System or (ii) any money received by the Authority from the United States of America, the State of New Jersey, or agencies of either as grants-in-aid of financing such particular Sewerage System.

As of November 30, 2023, the following amount is due to the County of Sussex:

Under the 1973 Service Contract	<u>\$324,949</u>
---------------------------------	------------------

Upper Walkkill System

The Sussex County Municipal Utilities Authority has entered into Service Contracts and Customer Agreements for the Upper Walkkill System as follows:

February 11, 1981	- Borough of Franklin (Local Service Contract)
February 11, 1981	- Borough of Hamburg (Local Service Contract)
November 22, 1982	- The Walkkill Sewer Co. (Customer Agreement)
January 15, 1987	- Township of Hardyston, M.U.A. (Local Service Contract)
August 12, 1992	- Borough of Sussex (Local Service Contract)
April 4, 2001	- Township of Wantage (Local Service Contract)
July 18, 2001	- Township of Sparta (Local Service Contract)
November 2, 2005	- Township of Vernon (Local Service Contract)

Under the terms of the service contracts, participating users agree to have sewage treated and disposed of by the Authority, and to pay for same by means of Annual Charge.

Hampton Commons System

The Authority has entered into sewer contracts and customer agreements for the Hampton Commons Facility as follows:

December 15, 1983	- Hampton Commons Homeowners Association
July 20, 2005	- Township of Hampton

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

1. **General** (continued)

Wastewater (continued)

Paulins Kill System

The SCMUA and Borough of Branchville entered into a service contract on September 10, 2008.

The SCMUA and Township of Frankford entered into a service contract on November 24, 2010.

Developers Agreements

The Authority has entered into an escrow agreement with the Montague Sewer Company, dated March 14, 1990 designating the Authority as the sole permittee on the application to the NJDEP for a NJPDES permit of construction and operation of a 720,000 gallon per day sewerage treatment facility to serve High Point Country Club. The escrow agreement provides for the set up of an escrow account to pay for all the Authority's authorized costs in obtaining the permits.

On September 16, 2003, the Authority executed an Escrow Agreement with Frankford Township in order to pay all costs associated with the 180,000 GPD wastewater treatment and disposal needs for the Frankford Township Town Center Development. All legal, engineering, financial and environmental studies required for the project development shall be financed through the escrow account.

Solid Waste

By resolution of the Board of Chosen Freeholders of Sussex County (the "County"), duly adopted December 23, 1986, the Authority was designated by the County in the Solid Waste Management Plan as the agency which will be responsible for the acquisition, construction, maintenance and operation of facilities for the processing and disposal of solid waste in the County in an environmentally sound manner.

On April 28, 1987, an agreement was entered into, between the Sussex County Municipal Utilities Authority and the County of Sussex. Among other things, this agreement authorized the Authority to construct and operate a Solid Waste System to collect, treat, recycle and dispose of solid waste and to establish service charges and annual charges. Initial operation of the landfill was started February 20, 1990. The landfill, together with the Residence Convenience Recycling Center, Leaf Composting Facility and Bulky Waste Processing Facility located on the same site, is serving the solid waste disposal needs of the County.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

1. **General (continued)**

Solid Waste, (continued)

The following is excerpt of major provisions in the Authority's service contract with the County.

Section 301. Service Charges. With respect to all Solid Waste collected by the System and for all use and services of the System, the Authority will charge Service Charges in accordance with the Act. The Authority shall give notice to the County of any rate hearings to be conducted pursuant to N.J.S.A. 40:14B-23. Said Service Charges shall be established at rates estimated to be sufficient to provide for the receipt by the Authority in each Fiscal Year (beginning with the Fiscal Year in which the Authority commences operations) the sum of money at least equal to the sum of all the amounts necessary in such Fiscal Year (to the extent not provided from other funds including Bond proceeds) (1) to pay or provide for the expenses of operation and maintenance of the System and the principal of and interest on any and all Bonds as the same become due and (2) to maintain such reserves or sinking funds as may be required by the terms of any contract of the Authority or any Bond Resolution, or as may be deemed necessary or desirable by the Authority, and (3) to comply in all respects with the terms and provisions of any Bond Resolution and with the Act, but nothing contained in this section or in this Agreement shall be less than sufficient to comply with the foregoing requirement, provided that the County shall have given its written consent in the manner herein provided to such lesser Service Charges.

Section 302. Annual Charges. For the initiation of the Project and for the collection, treatment, recycling and disposal of Solid Waste originating in the County and to assure continuance of such collection, treatment, recycling and disposal of Solid Waste at reasonable rates of Service Charges the Authority will charge the County and the County shall make payment to the Authority of Annual Charges computed and to be paid as set forth in this Agreement. Annual Charges shall be payable with respect to each year the Agreement is in effect. The Annual Charges made and to be charged by the Authority to, and payable by, the County for or with respect to each year shall be the sum of money equal to the excess (if any) of:

- (A) The sum of all of the amounts expended in the Fiscal Year of the Authority ending in such year (1) to pay or provide for the expenses of construction, acquisition, operation and maintenance of the System, as well as administrative and other expenses of the Authority related to the system prior to placing the System in operation, and the principal of and interest on all Bonds as the same become due, and (2) to maintain such reserves or sinking funds as may be required by the terms of any contract of the Authority or any Bond Resolution, or as may be deemed necessary by the Authority, and (3) to comply in all respects with the terms of the Bond Resolution and with the Act; over



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

1. **General (continued)**

Solid Waste, (continued)

- (B) The sum of the following amounts to the extent used to pay or provide for the amounts described in subparagraph A of this Section: (1) Service Charges collected by the Authority, (2) the proceeds of bonds received by or for the account of the Authority, (3) the proceeds of insurance awards received by or for the account of the Authority with respect to the System, (4) contributions received by or for the account of the Authority with respect to the System and not under any circumstances repayable by the Authority until after the payment in full of other obligations of the Authority including its Bonds, original or refunding or both, or (5) any other funds on hand and available therefore. The Authority is obligated to apply all such sums to pay or provide for the amounts described in subparagraph A of the service contract

2. **Summary of Significant Accounting Policies**

The following is a summary of the more significant accounting policies:

A. **Basis of Financial Statements**

The Authority's financial transactions are recorded in accounts that are created by various resolutions adopted by the Authority to meet bond covenant requirements (more fully defined in Note 2I).

The financial statements of the Sussex County Municipal Utilities Authority have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant of the Authority's accounting policies are described as follows.

B. **Fund Accounting**

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounting records that comprise its assets, liabilities, net position, revenues and expenses. Government resources are allocated and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into one generic fund type and one broad fund category, as follows:

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

2. **Summary of Significant Accounting Policies, (continued)**

B. **Fund Accounting, (continued)**

**Proprietary Fund Types**

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal services. The following is a description of the Proprietary Funds of the Authority:

**Enterprise Funds**

The Enterprise funds are used to account for governmental operations which are financed and operated in a manner similar to private enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to its users on a continuing bases be financed or recovered primarily through user charges.

**Internal Service Fund**

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

C. **Reporting Entity**

The Authority's financial statements include the accounts of all operations of the Authority. The Authority, as a component unit of the County of Sussex, State of New Jersey, is financially accountable to the County. As set forth in Government Accounting Standards Board (GASB) 14, as amended by GASB 61, financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The Authority, as a component unit, issues separate financial statements from the County of Sussex. However, if the County presented its financial statements in accordance with accounting principles generally accepted in the United States of America, these financial statements would be includable with the County's on a blended basis.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

2. **Summary of Significant Accounting Policies, (continued)**

D. Grants

Contributions received from various sources as grants are recorded in the period received. Developer-financed construction is recorded in the period in which applicable construction costs are incurred. Grants not externally restricted and utilized to finance operations are identified as non-operating revenues.

Grants externally restricted for non-operating purposes are recorded as contributed capital and identified as grants in aid.

E. Measurement Focus

Government-wide Financial Statements

The government-wide statements (i.e., the statement of net position) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Authority are included on the statement of net position.

Fund Financial Statements

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its proprietary activities.

F. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The government-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting.

G. Lease Assets

Intangible right-to-use lease assets are assets which the Authority leases for a term of more than one year. The value of the leases are determined by the net present value of the leases at the Authority's incremental borrowing rate at the time of the lease agreement, amortized over the term of the lease agreement.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

2. **Summary of Significant Accounting Policies, (continued)**

H. Lease Payable

The Authority is leasing equipment under capital financing arrangements. Capital financing agreements are financed purchase contracts that transfer ownership of the underlying assets to the Authority at the end of the agreement and do not contain termination options. Capital financing agreements are recognized as liabilities along with the related capital asset in the Authority's financial statements.

I. Property, Plant and Equipment

Property, Plant and Equipment represents an accumulation of payments made for capital purposes, since the inception of the Authority.

Property placed in service prior to November 30, 1988, were inventoried and valued by an independent appraisal consultant. Where known, actual original costs were used. When invoices or other supporting data were not readily available, standard costing or normal costing were used. In standard costing, property units/groups not reconciled to an historical cost receive an estimated cost, where possible, based on a standard cost - a known average installed cost for a like unit at the estimated acquisition date. The unit's age is estimated based on observed condition, manufacturer's name, model, serial number, age of the facility, and other factors. In normal costing, where the preceding technique cannot be employed to apply historical cost, cost is estimated based on a present cost of reproduction newly indexed by a reciprocal factor of the price increase from the estimated date acquired to the appraisal date.

The appraised values are based on construction replacement costs and do not include "soft costs" consisting mainly of architect, engineering, legal, financing and site preparation costs. The appraised values have been adjusted to include identifiable "soft costs." All property placed into service subsequent to November 30, 1988 is valued at cost. Land is valued at cost.

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**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**2. Summary of Significant Accounting Policies, (continued)**

**I. Property, Plant and Equipment, (continued)**

Property, plant and equipment includes:

<u>Fiscal Year Ended Nov. 30, 2023:</u>	<u>Upper Wallkill Facilities Fund</u>	<u>Hampton Commons Facilities Fund</u>	<u>Solid Waste Facilities Fund</u>	<u>Paulins Kill Water Reclamation Project</u>	<u>Wallkill Watershed Project</u>	<u>Total</u>
Capital Assets Not Being Depreciated:						
Land	573,834	32,741	2,770,568	456,782		3,833,925
Construction in Progress	<u>1,398,138</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>1,398,138</u>
Total Capital Assets, Not Being Depreciated	<u>1,971,972</u>	<u>32,741</u>	<u>2,770,568</u>	<u>456,782</u>	<u>-0-</u>	<u>5,232,063</u>
Capital Assets Being Depreciated:						
Improvements	23,135,331		103,422,162			126,557,493
Buildings	42,104,696	510,231	12,923,272	12,317,902		67,856,101
Machinery and Equipment	<u>12,944,045</u>	<u>770,244</u>	<u>12,277,163</u>	<u>446,779</u>	<u>6,214</u>	<u>26,444,445</u>
Total Capital Assets, Being Depreciated	78,184,072	1,280,475	128,622,597	12,764,681	6,214	220,858,039
Less:						
Accumulated Depreciation	<u>(60,593,342)</u>	<u>(1,181,284)</u>	<u>(70,938,984)</u>	<u>(2,300,638)</u>	<u>(6,214)</u>	<u>(135,020,462)</u>
Total Capital Assets Being Depreciated, Net	<u>17,590,730</u>	<u>99,191</u>	<u>57,683,613</u>	<u>10,464,043</u>	<u>0</u>	<u>85,837,577</u>
Total Capital Assets, Net	<u>19,562,702</u>	<u>131,932</u>	<u>60,454,181</u>	<u>10,920,825</u>	<u>0</u>	<u>91,069,640</u>
<u>Fiscal Year Ended Nov. 30, 2022:</u>	<u>Upper Wallkill Facilities Fund</u>	<u>Hampton Commons Facilities Fund</u>	<u>Solid Waste Facilities Fund</u>	<u>Paulins Kill Water Reclamation Project</u>	<u>Wallkill Watershed Project</u>	<u>Total</u>
Capital Assets Not Being Depreciated:						
Land	573,834	32,741	2,770,568	456,782		3,833,925
Construction in Progress	<u>1,065,253</u>	<u>          </u>	<u>29,646,304</u>	<u>          </u>	<u>          </u>	<u>30,711,557</u>
Total Capital Assets, Not Being Depreciated	<u>1,639,087</u>	<u>32,741</u>	<u>32,416,872</u>	<u>456,782</u>	<u>          </u>	<u>34,545,482</u>
Capital Assets Being Depreciated:						
Improvements	23,099,070		67,497,653			90,596,723
Buildings	41,025,013	510,231	12,923,272	12,317,902		66,776,418
Machinery and Equipment	<u>12,772,056</u>	<u>770,244</u>	<u>11,235,683</u>	<u>409,469</u>	<u>6,214</u>	<u>25,193,666</u>
Total Capital Assets, Being Depreciated	76,896,139	1,280,475	91,656,608	12,727,371	6,214	182,566,807
Less:						
Accumulated Depreciation	<u>(58,521,441)</u>	<u>(1,164,367)</u>	<u>(68,626,828)</u>	<u>(1,963,613)</u>	<u>(6,214)</u>	<u>(130,282,463)</u>
Total Capital Assets Being Depreciated, Net	<u>18,374,698</u>	<u>116,108</u>	<u>23,029,780</u>	<u>10,763,758</u>	<u>0</u>	<u>52,284,344</u>
Total Capital Assets, Net	<u>20,013,785</u>	<u>148,849</u>	<u>55,446,652</u>	<u>11,220,540</u>	<u>0</u>	<u>86,829,826</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**2. Summary of Significant Accounting Policies, (continued)**

**I. Property, Plant and Equipment, (continued)**

A detail of the Authority's property, plant and equipment activity is as follows:

<u>Upper Walkkill Facilities Fund:</u>	<u>Balance</u> <u>Nov. 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>Nov. 30, 2023</u>
Capital Assets Not Being Depreciated:					
Land	573,834				573,834
Construction in Progress	<u>1,065,253</u>	<u>1,412,568</u>	_____	<u>(1,079,683)</u>	<u>1,398,138</u>
Total Capital Assets, Not Being Depreciated	<u>1,639,087</u>	<u>1,412,568</u>	<u>0</u>	<u>(1,079,683)</u>	<u>1,971,972</u>
Capital Assets Being Depreciated:					
Improvements	23,099,070	36,261			23,135,331
Buildings	41,025,013			1,079,683	42,104,696
Machinery and Equipment	<u>12,772,056</u>	<u>401,619</u>	<u>(229,630)</u>	_____	<u>12,944,045</u>
Total Capital Assets, Being Depreciated	76,896,139	437,880	(229,630)	1,079,683	78,184,072
Less:					
Accumulated Depreciation	<u>(58,521,441)</u>	<u>(2,300,633)</u>	<u>228,732</u>	_____	<u>(60,593,342)</u>
Total Capital Assets Being Depreciated, Net	<u>18,374,698</u>	<u>(1,862,753)</u>	<u>(898)</u>	<u>1,079,683</u>	<u>17,590,730</u>
Total Capital Assets, Net	<u>20,013,785</u>	<u>(450,185)</u>	<u>(898)</u>	<u>0</u>	<u>19,562,702</u>
	<u>Balance</u> <u>Nov. 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>Nov. 30, 2023</u>	
<u>Hampton Commons Facilities Fund:</u>					
Capital Assets Not Being Depreciated:					
Land	<u>32,741</u>	_____	_____	<u>32,741</u>	
Total Capital Assets, Not Being Depreciated	<u>32,741</u>	_____	_____	<u>32,741</u>	
Capital Assets Being Depreciated:					
Buildings	510,231			510,231	
Machinery and Equipment	<u>770,244</u>			<u>770,244</u>	
Total Capital Assets, Being Depreciated	1,280,475	0		1,280,475	
Less:					
Accumulated Depreciation	<u>(1,164,367)</u>	<u>(16,917)</u>	_____	<u>(1,181,284)</u>	
Total Capital Assets Being Depreciated, Net	<u>116,108</u>	<u>(16,917)</u>	_____	<u>99,191</u>	
Total Capital Assets, Net	<u>148,849</u>	<u>(16,917)</u>	_____	<u>131,932</u>	

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**2. Summary of Significant Accounting Policies, (continued)**

**I. Property, Plant and Equipment, (continued)**

<u>Solid Waste Facilities Fund:</u>	<u>Balance</u> <u>Nov. 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>Nov. 30, 2023</u>
Capital Assets Not Being Depreciated:					
Land	2,770,568				2,770,568
Construction in Progress	<u>29,646,304</u>	<u>6,278,205</u>	_____	<u>(35,924,509)</u>	_____0
Total Capital Assets, Not Being Depreciated	<u>32,416,872</u>	<u>6,278,205</u>	0	<u>(35,924,509)</u>	<u>2,770,568</u>
Capital Assets Being Depreciated:					
Improvements	67,497,653			35,924,509	103,422,162
Buildings	12,923,272				12,923,272
Machinery and Equipment	<u>11,235,683</u>	<u>1,447,695</u>	<u>(406,215)</u>	_____	<u>12,277,163</u>
Total Capital Assets, Being Depreciated	91,656,608	1,447,695	(406,215)	35,924,509	128,622,597
Less:					
Accumulated Depreciation	<u>(68,626,828)</u>	<u>(2,657,415)</u>	<u>345,259</u>	_____	<u>(70,938,984)</u>
Total Capital Assets Being Depreciated, Net	<u>23,029,780</u>	<u>(1,209,720)</u>	<u>(60,956)</u>	<u>35,924,509</u>	<u>57,683,613</u>
Total Capital Assets, Net	<u>55,446,652</u>	<u>5,068,485</u>	<u>(60,956)</u>	0	<u>60,454,181</u>

<u>Paulins Kill Water Reclamation Project:</u>	<u>Balance</u> <u>Nov. 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>Nov. 30, 2023</u>
Capital Assets Not Being Depreciated:				
Land	456,782			456,782
Construction in Progress	_____	_____	_____	_____
Total Capital Assets, Not Being Depreciated	<u>456,782</u>	_____	_____	<u>456,782</u>
Capital Assets Being Depreciated:				
Buildings	12,317,902			12,317,902
Machinery and Equipment	<u>409,469</u>	<u>37,310</u>	_____	<u>446,779</u>
Total Capital Assets, Being Depreciated	12,727,371	37,310		12,764,681
Less:				
Accumulated Depreciation	<u>(1,963,613)</u>	<u>(337,025)</u>	_____	<u>(2,300,638)</u>
Capital Assets Being Depreciated, Net	<u>10,763,758</u>	<u>(299,715)</u>	0	<u>10,464,043</u>
Total Capital Assets, Net	<u>11,220,540</u>	<u>(299,715)</u>	0	<u>10,920,825</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**2. Summary of Significant Accounting Policies, (continued)**

**I. Property, Plant and Equipment, (continued)**

<u>Wallkill Watershed Project::</u>	<u>Balance</u> <u>Nov. 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>Nov. 30, 2023</u>
Capital Assets Being Depreciated:				
Machinery and Equipment	6,214	_____	_____	6,214
Total Capital Assets, Being Depreciated	6,214			6,214
Less:				
Accumulated Depreciation	(6,214)	_____	_____	(6,214)
Capital Assets Being Depreciated, Net	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Assets, Net	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

System construction costs are charged to construction in progress until such time as given segments of the system are completed and put into operation.

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2023  
 (Continued)

2. Summary of Significant Accounting Policies, (continued)

I. Property, Plant and Equipment, (continued)

Depreciation is determined on a straight-line basis for all plant and equipment. Depreciation is provided over the following estimated useful lives:

Buildings	45 years
Land improvements (fencing, roadways, etc.)	20 years
Sewer, water, electric utility lines	30 years
Machinery and equipment	5-15 years
Vehicles	6 years
Landfill Cell #1	8 years
Landfill Phase 2A	6 years
Landfill Phase 2B	6 years
Landfill Phase 3	8 years

J. Deferred Outflows and Deferred Inflows of Resources

The Statement 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 inflow 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:

**Defined Benefit Pension Plans** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contribution and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

**Other Post-Employment Benefit (OPEB)** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on OPEB plan investments, changes in the Authority's proportion of expenses and liabilities to the OPEB as a whole, differences between the Authority's OPEB contribution and its proportionate share of contributions, and the Authority's OPEB contributions to the valuation measurement date.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

2. **Summary of Significant Accounting Policies, (continued)**

J. **Deferred Outflows and Deferred Inflows of Resources, (continued)**

**Deferred Loss on Refunding of Bonds** - Deferred loss on refunding arising from the issuance of revenue refunding bonds, is recorded as a deferred outflow of resources. The deferred loss is amortized in a systematic and rational method as a component of interest expense.

**Bond Premiums** - Premiums received in connection with the issuance of long-term debt are recorded as deferred inflows of resources. The premiums are amortized in a systematic and rational method as a component of interest expense.

K. **Restricted Accounts**

**Upper Wallkill Facilities Fund:**

In accordance with the bond resolutions, (Section 502-513), the Authority has established the following cash and investment accounts for the deposit, in the priority of the order listed, of all revenues received by the Authority:

<u>Account</u>	<u>Amount</u>	<u>Use for which restricted</u>
Revenue	All revenue received by the Authority. (Section 502-507)	Authorized operating expenses and, as of the first day of each month, transfers to the various accounts described below.
Construction	Proceeds of debt issued and construction grants-in-aid. (Section 513)	Constructions costs of the project system, including improvements and additions.
Bond Service (Current Debt Service)	Amount needed to pay matured principal and interest due on or before the following December 1st (Section 508)	Principal and interest on the bonds.
Bond Reserve (Future Debt Service)	Amount needed to equal the reserve requirement. (Section 510)	Transfers to meet minimum levels required in the bond service or sinking accounts. Any excess may be transferred into the revenue account.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

2. **Summary of Significant Accounting Policies, (continued)**

K. **Restricted Accounts, (continued)**

Upper Wallkill Facilities Fund, (continued):

<u>Account</u>	<u>Amount</u>	<u>Use for which restricted</u>
Renewal and Replacement	Amount required to equal the reserve requirement. (Section 510)	Reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements or maintenance items of a type not recurring annually or at shorter intervals.
General	Amount needed to increase the balance to equal the requirements as defined by the resolution	Transfers to meet deficiencies in any fund or account, after which funds may be expended for lawful corporate purpose of the Authority.

In addition, the Authority has also established the following restricted accounts:

1. Retained percentage account into which is deposited amounts withheld from construction contracts.
2. Escrow accounts being held for planning, design and construction of specific projects.
3. Trust accounts to be held in reserve for payroll-related liabilities, such as Unemployment Insurance.

Hampton Commons Facilities Fund:

In accordance with the Authority policies, the Authority has established the following cash and investments accounts for the deposit, in the priority of the order listed, of all revenues received by the Authority:

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

2. **Summary of Significant Accounting Policies, (continued)**

K. **Restricted Accounts, (continued)**

**Hampton Commons Facilities Fund, (continued):**

<u>Account</u>	<u>Amount</u>	<u>Use for which restricted</u>
Operating	All Revenue received by the Authority.	Authorized Operating Expenses.
Renewal and Replacement	Amount determined annually by the Authority.	Reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements or maintenance items of a type not recurring annually or at shorter intervals.

**Other Sewer Companies:**

Escrow deposits are being held for the Montague Sewer Co., Frankford Township and Sparta Plaza.

**Solid Waste Facility:**

In accordance with the Bond resolutions, (Sections 401-406 and 502-512), the Authority has established the following cash and investments accounts for the deposit, in the priority of the order listed, of all revenues received by the Authority:

<u>Account</u>	<u>Amount</u>	<u>Use for which restricted</u>
Construction	Proceeds of debt issued. (Sections 401-406)	Construction costs of the project system, including improvements and additions.
Revenue	All revenue received by the Authority. (Sections 502-505)	Authorized operating expenses and, as of the first day of each month, transfers to the various accounts.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

2. **Summary of Significant Accounting Policies, (continued)**

K. **Restricted Accounts, (continued)**

**Solid Waste Facility, (continued):**

<u>Account</u>	<u>Amount</u>	<u>Use for which restricted</u>
Operating	All revenue received by the Authority. (Section 506)	Authorized operating expenses.
Bond Service	Amount needed to pay matured principal, interest and redemption premium, if any. (Section 507)	Principal, interest and redemption premium on the bonds and notes.
Bond Reserve (Future Reserve Service)	Amount needed to equal the reserve requirement. (Section 509)	Transfers to meet minimum levels required in the bond service or sinking accounts. Any excess may be transferred into the revenue account.
Renewal and Replacement	Amount required to equal the reserve requirement. (Section 510)	Reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements or maintenance items of a type not recurring annually or at shorter intervals.
General	Amount needed to increase the balance to equal the requirements as defined by the resolution (Section 511)	Transfers to meet deficiencies in any fund or account, after which funds may be expended for any lawful corporate purpose of the Authority.
Rebate	All monies subject to rebated to the U.S. Government (Section 512)	Rebates to the U.S. Government for non-compliance with I.R.S. Code and Arbitrage Regulations.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

2. **Summary of Significant Accounting Policies, (continued)**

K. **Restricted Accounts, (continued)**

In addition, the Authority has also established the following restricted account:

A Cell Closure Account has been established to set aside moneys to provide for the landfill cell closure.

A Postclosure Account has been established to set aside funds for postclosure monitoring and care.

Retained percentage account derived from amounts withheld from construction contracts.

**Paulins Kill Water Reclamation Project:**

<u>Account</u>	<u>Amount</u>	<u>Use for which restricted</u>
Operating	All Revenue received by the Authority.	Authorized Operating Expenses.
Renewal and Replacement	Amount determined annually by the Authority.	Reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements or maintenance items of a type not recurring annually or at shorter intervals.
Debt Service Account	Amount needed to pay principal and interest due on project loan.	Payment of principal and interest on project loan.

L. **Interest Income from Operating Investments**

These amounts include interest earned on all of the Authority's accounts except as described below:

- Upper Wallkill Facilities Fund - Renewal and Replacement Account.
- Solid Waste Facilities Fund - Cell Closure Escrow, Postclosure Care Escrow and Renewal and Replacement Account.
- Hampton Commons Facilities Fund - Renewal and Replacement Account.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**2. Summary of Significant Accounting Policies, (continued)**

**M. Accrued Liability for Closure and Postclosure Costs**

The accrued liability for closure and postclosure costs represent funds collected as part of the solid waste tariff, which are required to be established to pay for the cost of closure and postclosure of landfills. These amounts are based upon engineering studies which are revised on a yearly basis. These studies are the basis for any adjustments to these accruals at year end.

At November 30, 2023, there is a deficiency of \$7,977,543 in the Authority's Cell Closure/Postclosure Reserve.

The Sussex County Municipal Utilities Authority has obtained a Major SWF Permit Modification Application to the NJDEP that authorized the construction of 2 additional Landfill Cells (6 & 4) and relocate infrastructure facilities. This project was financed through the New Jersey Environmental Infrastructure Trust (NJ I Bank). This landfill expansion project also included the relocation of The Resident's Convenience & Recycling Center. These Landfill Cells and Infrastructure Facility relocation have an anticipated life of 20 years and 30 years, respectively.

**N. Accumulated Unpaid Vacation and Sick Pay**

Sussex County Municipal Utilities Authority employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days up to the actual days accrued in accordance with the Authority's personnel manual. Reimbursement for accumulated sick leave is provided to employees upon termination or retirement, based upon conditions explained in the Sussex County Municipal Utilities Authority's personnel manual. Employees hired prior to January 1, 2009 shall be paid one-half of unused sick leave to a maximum of \$20,000. Employees hired after January 1, 2009 are limited to a maximum of \$15,000 for one-half of unused sick leave.

Accumulated unpaid vacation and sick days are accrued when incurred in all funds.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

2. **Summary of Significant Accounting Policies, (continued)**

O. Use of 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 effect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine the useful lives of depreciable assets, remaining life and costs of the landfill for closure and cell closure liabilities, and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

P. Interfunds Receivable and Payable

During the course of its operations, the Authority has numerous transactions between funds to finance operations, provide services, construct assets, and service debts. To the extent that certain transactions between the accounts had not been paid or received as of the balance sheet dates, balances of interfund amounts receivable and payable have not been recorded.

Q. Inventory

The Authority does not record inventory on its balance sheets. The costs of inventory items are deemed immaterial and are recognized as expenditures when purchased.

R. Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are 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.

S. Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

2. **Summary of Significant Accounting Policies, (continued)**

T. **Recent Accounting Pronouncements**

In June 2022, the Government Accounting Standards Board issued GASB Statement No. 100, Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Authority is determining what effects, if any, this pronouncement will have on future financial statements.

In June 2022, the Government Accounting Standards Board issued GASB Statement No. 101, Compensated Absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Authority is determining what effects, if any, this pronouncement will have on future financial statements.

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, Certain Risk Disclosures. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Commission is determining what effects, if any, this pronouncement will have on future financial statements.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

2. **Summary of Significant Accounting Policies, (continued)**

T. **Recent Accounting Pronouncements, (continued)**

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. The Authority is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

U. **Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for services. Operating expenses include the cost of operations and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses. State and federal grants for the operation of the Authority are considered operating revenues. Transactions or other events that are both unusual in nature and infrequent in occurrence are reported as extraordinary items.

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**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

**3. Cash and Cash Equivalents**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

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 Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks 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 full amount of their deposits to the Governmental Units.

As of November 30, 2023, cash and cash equivalents of the Sussex County Municipal Utilities Authority consisted of the following:

Upper Wallkill Facilities Fund

	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Savings/ Money Market Accounts</u>	<u>Total</u>
Petty Cash	400			400
Revenue Account			1,713,370	1,713,370
Operating Account		180,572		180,572
Vernon Twp. Rate Stabilization Fund		159,352		159,352
Current Debt Service			3,022,604	3,022,604
Phase III Construction		260,521		260,521
General Fund			5,986,408	5,986,408
Renewal and Replacement			1,376,843	1,376,843
Phase II Construction			322,481	322,481
Future Debt Service			1	1
Retainage Account		27,814		27,814
	<u>400</u>	<u>628,259</u>	<u>12,421,707</u>	<u>13,050,366</u>
 <u>Balance Sheet Classification</u>				
Unrestricted Assets				6,420,237
Restricted Assets				<u>6,630,129</u>
				<u>13,050,366</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

**3. Cash and Cash Equivalents, (continued)**

Solid Waste Facilities Fund

	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Savings/ Money Market Accounts</u>	<u>Total</u>
Petty Cash	2,600			2,600
Revenue Account			850,199	850,199
Operating Account		1,686,505		1,686,505
Construction Fund		2,502,162	1,202,498	3,704,660
Renewal and Replacement Fund			1,107,155	1,107,155
Cell Closure Account		3,435,470		3,435,470
Landfill Postclosure Account			173,536	173,536
Retained Percentages Account		619,282		619,282
Debt Service Fund			436,933	436,933
General Fund			<u>14,252,753</u>	<u>14,252,753</u>
	<u>2,600</u>	<u>8,243,419</u>	<u>18,023,074</u>	<u>26,269,093</u>

Balance Sheet Classification

Unrestricted Assets				14,074,552
Restricted Assets				<u>12,194,541</u>
				<u>26,269,093</u>

Hampton Commons Facilities Fund

Operating Account		214,080		214,080
Renewal and Replacement Fund		<u>117,601</u>		<u>117,601</u>
		<u>331,681</u>		<u>331,681</u>

Balance Sheet Classification

Unrestricted Assets				
Restricted Assets				<u>0</u>

Paulins Kill Water Reclamation Project

Operating Account		52,335		52,335
Revenue Fund			400,584	400,584
Debt Service Fund			163,793	163,793
Renewal and Replacement Fund			<u>145,594</u>	<u>145,594</u>
		<u>52,335</u>	<u>709,971</u>	<u>762,306</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

3. **Cash and Cash Equivalents, (continued)**

	<u>Cash</u> <u>on Hand</u>	<u>Checking</u> <u>Accounts</u>	<u>Savings/</u> <u>Money</u> <u>Market</u> <u>Accounts</u>	<u>Cash</u> <u>on Hand</u>
<u>Balance Sheet Classification</u>				
Unrestricted Assets				457,504
Restricted Assets				<u>304,802</u>
				<u>762,306</u>
<u>Internal Service Fund</u>				
Revenue Operating Account		5,288		5,288
Payroll Account		300,430		300,430
Unemployment Trust Fund	—	<u>274,004</u>	—	<u>274,004</u>
	=	<u>579,722</u>	=	<u>579,722</u>
<u>Balance Sheet Classification</u>				
Unrestricted Assets				305,718
Restricted Assets				<u>274,004</u>
				<u>579,722</u>
<u>Other Sewer Companies</u>				
Escrow Accounts	—	<u>4,646</u>	—	<u>4,646</u>
<u>Balance Sheet Classification</u>				
Unrestricted Assets				<u>4,646</u>
<u>Wallkill Watershed Fund</u>				
Operating Account	—	<u>357,448</u>	—	<u>357,448</u>
<u>Balance Sheet Classification</u>				
Unrestricted Assets				<u>357,448</u>
<u>Grand Total</u>				
Unrestricted				21,834,185
Restricted				<u>19,521,077</u>
				<u>41,355,262</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**3. Cash and Cash Equivalents, (continued)**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits. The Authority's policy is based on New Jersey Statutes that require cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a.). As of November 30, 2023, \$-0- of the Authority's bank balance of \$42,890,884 was exposed to custodial credit risk.

**4. Investments**

Investments are stated at cost, which approximates market. The Authority classifies certificates of deposit which have maturity dates of more than three months from the date of purchase, as investments.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment maturities are limited by its bond indentures as described below as a means of managing its exposure to interest rate risk. Additionally, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Monies in the funds established under the Resolutions may be invested at the Authority's direction in Investment Obligations, which are defined by the Resolutions.

Monies in the funds established under the Resolution, on instructions signed by an officer of the Authority, shall be so invested as aforesaid but only within the following limitations of maturity computed from the date of purchase or deposit:

**Upper Wallkill Facilities Fund**

Revenue Fund: a maximum of 180 days.

Bond Service Fund or Sinking Fund: In the amounts and at the times necessary to provide funds when needed to make the applicable payments, as determined by the Trustee.

Bond Reserve Fund: a maximum of 15 years but not to exceed the final term of any Bonds issued under the Resolution.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**4. Investments, (continued)**

Renewal and Replacement Fund: a maximum of 3 years.

General Fund: no limitation.

Construction Fund: In the amounts and at the times necessary to provide funds when needed for the payments stated in the certificate of the Consulting Engineer.

**Solid Waste Facilities Fund**

Operating Fund: No Limitation.

Bond Service Fund or Sinking Fund: In the amounts and at the times necessary to permit funds to be available for the payment of the principal or the redemption premium, if any, and the interest on the Revenue Bonds.

Construction Fund: In the amounts and at the times necessary to provide funds when needed to pay the costs of the project.

Rebate Fund: In the amounts and at such times as will permit funds to be available when needed to make payments to the United States Government.

Bond Reserve Fund: Equal to the lesser of maximum Bond Service and the maximum amount permitted under the code.

**Credit Risk**

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The types of allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States; obligations of federal agencies not exceeding 397 days; bonds or other obligations of the local unit or school districts of which the local unit is a part; government money market mutual funds; local government investment pools; the State of New Jersey Cash Management Fund or agreements to repurchase fully collateralized securities as described in the Statutes.

**Concentration of Credit Risk**

The Authority places no limit on the amount it may invest in any one issuer.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**4. Investments, (continued)**

At November 30, 2023, the Authority had the following investments:

**Landfill Postclosure Account:**

Investment Type	Average Credit/Quality Ratings (1)	Face Amount	Carrying Amount	Investment Maturities (in Years)		
				<1	1-5	6-10
FHLMC	AA+	110,000	109,915		109,915	
FHLMC Multiclass Mtg Part	N/A	202,326	203,652	103,560	100,092	
FNMA	AA+	605,000	590,124		479,597	110,527
FNMA Deb.	AA+	140,000	139,712		139,712	
Federal Agri. Mtge Corp	N/A	60,000	59,925	59,925		
Federal Farm Credit Banks	AA+	440,000	432,062		108,846	323,216
Federal Home Loan Banks	AA+	1,900,000	1,882,880	429,496	1,209,477	243,907
US Treasury Notes	Aaa	8,665,000	8,495,917	949,635	4,526,576	3,019,706
Fresb. Multifamily Mortgage	N/A	24,299	24,455	8,916		15,539
Private Export Funding	Aaa	50,000	49,933	49,933		
		<u>12,196,625</u>	<u>11,988,575</u>	<u>1,601,465</u>	<u>6,674,215</u>	<u>3,712,895</u>

(1) Ratings are provided where applicable to indicate the associated credit risk.

**Unemployment Trust Fund:**

12 Month Certificate of Deposit	\$252,639
12 Month Certificate of Deposit	<u>144,765</u>
	<u>\$397,404</u>

**5. Long Term Obligations**

Changes in long-term obligations for the fiscal year ended November 30, 2023 are as follows:

	Balance <u>11/30/22</u>	Issues or <u>Additions</u>	Payments or <u>Expenditures</u>	Balance <u>11/30/23</u>	Amount Due Within <u>One Year</u>
Compensated Absences	834,542		67,344	767,198	
Financed Purchases	758,759		291,960	466,799	257,830
Planning Loan:					
County of Sussex	324,949			324,949	
Net OPEB Obligation Payable	15,654,933	1,288,951		16,943,884	
Net Pension Liability	7,641,917		117,316	7,524,601	
Bonds and Notes Payable:					
Wastewater Program	43,145,538	1,406,393	2,483,200	42,068,731	3,021,677
Solid Waste Program	9,655,839	8,157,548	1,051,956	16,761,431	1,224,738
Accrued Liabilities - Landfill Closure/Postclosure	<u>19,844,000</u>	<u>4,857,764</u>		<u>24,701,764</u>	
	<u>97,860,477</u>	<u>15,710,656</u>	<u>4,011,776</u>	<u>109,559,357</u>	<u>4,504,245</u>



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**6. Bonds Payable**

As of November 30, 2023 and 2022, the Authority has the following principal amount of debt outstanding and unamortized losses from refunding transactions.

	<u>Balance</u> <u>11/30/22</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>11/30/23</u>	<u>Amount Due</u> <u>Within</u> <u>One Year</u>
<u>Upper Walkkill Facilities Fund:</u>					
2008 Series B Wastewater Revenue Bonds	25,246,154	1,203,039	2,095,000	24,354,193	2,620,000
2012 Wastewater Revenue Refunding Bonds	1,580,000		135,000	1,445,000	140,000
2016 Series A Wastewater Refunding Bonds	3,025,000		120,000	2,905,000	125,000
2016 Series B Wastewater Refunding Bonds	6,143,730	<u>203,354</u>		<u>6,347,084</u>	
	<u>35,994,884</u>	<u>1,406,393</u>	<u>2,350,000</u>	<u>35,051,277</u>	<u>2,885,000</u>

Interest expense on Bonds, including amortization of deferred losses on refundings is comprised of the following:

	<u>2023</u>	<u>2022</u>
Series 2008 B	330,201	64,101
Series 2012	49,006	54,406
Series 2016 A	<u>107,600</u>	<u>112,400</u>
	486,807	230,907
<u>Amortization of Deferred (Gains)/Losses on Refunding:</u>		
2012 and 2016 Refundings	<u>80,567</u>	<u>80,567</u>
	<u>567,374</u>	<u>311,474</u>

**Series 2008 Wastewater Revenue Bonds**

On September 15, 2009, the Authority issued \$4,095,000 Wastewater Facilities Revenue Bonds Series 2008A and \$23,403,738 Wastewater Facilities Revenue Bonds Series 2008B. These bonds were issued to provide funds that will be used, together with other available funds of the Authority, to: (i) finance planned expansion and upgrades to the Authority's wastewater facilities system; and (ii) pay the costs of issuance of the Bonds.

As described below, a portion of the Series 2008 Series A and B Wastewater Facilities Revenue Bonds were refunded by the issuance of the Series 2016 A and B Wastewater Facilities Revenue Refunding Bonds.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

6. **Bonds Payable, (continued)**

The unrefunded portion of the Series B Bonds are dated September 15, 2008 and are issued as capital appreciation bonds in the aggregate principal amount of \$18,814,743.40. The Series B Bonds will accrue interest beginning on the date of delivery, and will have interest rates and will mature in various principal amounts as described in the following table with interest payable only at maturity.

<u>Date</u>	<u>Original Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Maturity Amount</u>
12/1/23	1,263,940	4.830%	1,356,060	2,620,000
12/1/24	1,193,410	4.910%	1,426,590	2,620,000
12/1/25	1,125,500	4.970%	1,494,500	2,620,000
12/1/26	1,060,209	5.030%	1,559,791	2,620,000
12/1/27	997,565	5.090%	1,622,435	2,620,000
12/1/28	937,515	5.150%	1,682,485	2,620,000
12/1/29	881,866	5.200%	1,738,134	2,620,000
12/1/30	826,924	5.260%	1,793,076	2,620,000
12/1/31	776,254	5.310%	1,843,746	2,620,000
12/1/32	782,176	5.360%	2,032,824	2,815,000
12/1/33	735,124	5.390%	2,074,876	2,810,000
12/1/34	<u>693,480</u>	5.410%	<u>2,116,520</u>	<u>2,810,000</u>
	<u>11,273,963</u>		<u>20,741,037</u>	<u>32,015,000</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

6. **Bonds Payable, (continued)**

A reconciliation of original payment amounts to carrying value for the unrefunded portion of the 2008 Series B Capital Appreciation Bonds is provided below:

<u>Maturity</u>	<u>Original Principal</u>	<u>Accreted Principal 11/30/22</u>	<u>Carrying Value 11/30/22</u>
12/1/23	1,263,940	1,356,060	2,620,000
12/1/24	1,193,410	1,302,533	2,495,943
12/1/25	1,125,500	1,249,478	2,374,978
12/1/26	1,060,209	1,197,026	2,257,235
12/1/27	997,565	1,145,228	2,142,793
12/1/28	937,515	1,094,295	2,031,810
12/1/29	881,866	1,043,572	1,925,438
12/1/30	826,924	994,683	1,821,607
12/1/31	776,254	946,475	1,722,729
12/1/32	782,176	966,586	1,748,762
12/1/33	735,124	915,751	1,650,875
12/1/34	693,480	868,543	1,562,023
	<u>11,273,963</u>	<u>13,080,230</u>	<u>24,354,193</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

6. **Bonds Payable, (continued)**

Redemption

The Series B Bonds that mature on or before December 1, 2034 are not subject to redemption prior to maturity.

Series 2012 Wastewater Revenue Refunding Bonds

On July 11, 2012, the Sussex County issued \$3,165,000 in Wastewater Revenue Refunding Bonds, Series 2012. The Bonds were issued to provide funds to finance: (i) the current refunding of all of the Authority's \$2,400,000 outstanding Series 2001 Wastewater Facilities Revenue Bonds, Series F, (ii) the advance refunding of \$700,000 of the Authority's \$4,090,000 outstanding Series 2003 Wastewater Facilities Revenue Bonds, Series G and (iii) the costs and expenses incurred in connection with the issuance of the Bonds.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$702,859. This difference, reported in the financial statements as a deferred outflow of resources, is being amortized as a component of interest expense through the year 2027 using the straight-line method.

The Series 2012 Revenue Refunding Bonds are dated July 11, 2012, have interest rates ranging from 3.125% to 3.625%, and will mature in annual installments on December 1, in each year as set forth in the following table:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$140,000	3.125%	2027	\$160,000	3.375%
2024	145,000	3.125%	2028	165,000	3.375%
2025	150,000	3.125%	2029	170,000	3.625%
2026	155,000	3.375%	2030	175,000	3.625%
			2031	185,000	3.625%

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

**6. Bonds Payable, (continued)**

**Series 2016 Wastewater Facilities Revenue Refunding Bonds**

On June 8, 2016, the Authority issued \$3,390,000 Wastewater Facilities Revenue Refunding Bonds, Series A, and \$4,975,058 Wastewater Facilities Revenue Refunding Bonds, Series B. These Bonds were issued to provide funds to finance: (i) the advance refunding of \$3,345,000 of the Authority's Wastewater Facilities Revenue Bonds, Series 2008 A; (ii) the advance refunding of \$4,821,911 of the Authority's Wastewater Facilities Revenue Bonds, Series 2008 B (Capital Appreciation Bonds); (iii) the premium for the Bond Reserve Surety Bonds to satisfy the Bond Reserve Requirement; and (iv) the costs and expenses incurred in connection with the issuance of the Bonds.

The refunding resulted in a reduction in aggregate debt service payments over the life of the Bonds of \$4,647,673 and achieved a net present value debt service savings of \$2,524,238.

The refunding transaction resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$1,002,204. This difference has been recorded in the financial statements as a deferred outflow of resources and is being amortized as a component of interest expense through the year 2039 using the straight-line method.

The Series A Bonds are dated June 8, 2016, bear interest at rates ranging from 2.00% to 4.00% and mature in various principal amounts as described below on December 1 of each year from December 1, 2017 to December 1, 2039, inclusive. Interest on the Series A Bonds is payable on June 1 and December 1 of each year.

**SERIES A MATURITY SCHEDULE**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$125,000	4.00%	2025	\$130,000	4.00%
2024	125,000	4.00%	2026	140,000	4.00%

\$295,000 4.00% Term Bond due December 1, 2028  
\$320,000 4.00% Term Bond due December 1, 2030  
\$345,000 4.00% Term Bond due December 1, 2032  
\$565,000 4.00% Term Bond due December 1, 2035  
\$860,000 3.00% Term Bond due December 1, 2039

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

6. **Bonds Payable, (continued)**

**Mandatory Sinking Fund Redemption**

The Series A Bonds maturing on December 1 in each of the years 2028, 2030, 2032, 2035 and 2039 are subject to mandatory sinking fund redemption prior to maturity on December 1 in the years and in the amounts shown below, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption:

**Term Bonds due December 1, 2028**

<u>Year</u>	<u>Principal Amount</u>
2027	\$145,000
2028*	150,000

**Term Bonds due December 1, 2030**

<u>Year</u>	<u>Principal Amount</u>
2029	\$155,000
2030*	165,000

**Term Bonds due December 1, 2032**

<u>Year</u>	<u>Principal Amount</u>
2031	\$170,000
2032*	175,000

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

6. **Bonds Payable, (continued)**

**Term Bonds due December 1, 2035**

<u>Year</u>	<u>Principal Amount</u>
2033	\$180,000
2034	190,000
2035*	195,000

**Term Bonds due December 1, 2039**

<u>Year</u>	<u>Principal Amount</u>
2036	\$205,000
2037	210,000
2038	220,000
2039*	225,000

\*Term Bond, final maturity.

The Series B Bonds are dated June 8, 2016 and are issued as capital appreciation bonds in the aggregate principal amount of \$4,975,058. The Series B Bonds will accrue interest beginning on the date of delivery, and will have interest rates and will mature in various principal amounts as described in the following table, with interest payable only at maturity:

<u>Date</u>	<u>Original Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Maturity Amount</u>
12/1/35	\$1,082,319	3.190%	\$922,681	\$2,005,000
12/1/36	1,036,004	3.250%	968,996	2,005,000
12/1/37	992,595	3.300%	1,012,405	2,005,000
12/1/38	949,520	3.330%	1,045,480	1,995,000
12/1/39	<u>914,620</u>	3.360%	<u>1,085,380</u>	<u>2,000,000</u>
	<u>4,975,058</u>		<u>5,034,942</u>	<u>10,010,000</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

**6. Bonds Payable, (continued)**

A reconciliation of original principal amounts to carrying value for the 2016 Series B Capital Appreciation Bonds is provided below:

<u>Maturity</u>	<u>Original Principal</u>	<u>Accreted Principal 11/30/23</u>	<u>Carrying Value 11/30/23</u>
12/1/35	\$1,082,319	\$289,121	\$1,371,440
12/1/36	1,036,004	282,544	1,318,548
12/1/37	992,595	275,367	1,267,962
12/1/38	949,520	266,094	1,215,614
12/1/39	<u>914,620</u>	<u>258,900</u>	<u>1,173,520</u>
	<u>\$4,975,058</u>	<u>\$1,372,026</u>	<u>\$6,347,084</u>

**Solid Waste Facilities Fund:**

	<u>Balance Nov. 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Nov. 30, 2023</u>	<u>Amount Due Within One year</u>
NJ Environmental Infrastructure Trust:					
Trust Loan Series 2018A-1	\$1,210,000	\$	\$220,000	\$990,000	\$230,000
Fund Loan Series 2018A-1	3,070,839		676,393	2,394,446	676,394
Trust Loan Series 2022A-2		3,905,000		3,905,000	65,000
Fund Loan Series 2022A-2		4,252,548	95,563	4,156,985	143,344
Solid Waste Revenue Bonds:					
Series 2021	<u>5,375,000</u>		<u>60,000</u>	<u>5,315,000</u>	<u>110,000</u>
	<u>\$9,655,839</u>	<u>\$8,157,548</u>	<u>\$1,051,956</u>	<u>\$16,761,431</u>	<u>\$1,224,738</u>

**New Jersey Environmental Infrastructure Financing Program**

**1. New Jersey Environmental Infrastructure Trust – Trust Loan Series 2018A-1**

On May 22, 2018, the Authority issued \$1,990,000 Solid Waste Revenue Trust Loan, Series 2018A-1 (the 2018A-1 Trust Loan) in order to fund the Authority's Landfill Expansion Project.



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**6. Bonds Payable, (continued)**

The 2018A-1 Trust Loan matures on the dates and in the principal amounts and bear interest at the rates per annum that are set forth below. Interest is payable on the first day of February and August.

<u>Year</u> <u>August 1</u>	<u>Amount</u>	<u>Rate</u>
2024	230,000	5.00%
2025	240,000	5.00%
2026	255,000	5.00%
2027	<u>265,000</u>	5.00%
	<u>\$990,000</u>	

**2. New Jersey Environmental Infrastructure Trust – Fund Loan Series 2018A-1**

On May 22, 2018, the Authority issued \$6,538,469 Solid Waste Revenue Fund Loan, Series 2018A-1 (the 2018A-1 Fund Loan) in order to fund the Authority's Landfill Expansion Project.

The 2018A-1 Fund Loan matures on the dates and in the principal amounts that are set forth below. The 2018A-1 Fund Loan bears interest at the rate of zero percent (0%) per annum.

<u>Year</u> <u>February 1</u>	<u>Amount</u>	<u>Year</u> <u>August 1</u>	<u>Amount</u>	<u>Fiscal year</u> <u>Total</u>
2024	225,465	2024	450,929	676,394
2025	225,464	2025	450,929	676,393
2026	225,464	2026	450,929	676,393
2027	225,464	2027	139,802	<u>365,266</u>
				<u>\$2,394,446</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**6. Bonds Payable, (continued)**

3. New Jersey Infrastructure Bank - Series 2022A-2

On December 22, 2022, the Authority issued \$3,905,000 Solid Waste Revenue Bonds (the 2022A-2 Trust Loan), and \$4,252,548 Solid Waste Revenue Bonds Series 2022A-2 (the 2022A Fund Loan) to the New Jersey Infrastructure Bank. The Series 2022A-2 bonds were issued to evidence a loan from the New Jersey Infrastructure Bank, and a 0% loan from the State of New Jersey in order to permanently finance a construction loan for the Authority's Leachate Pump Station and Force Main Project.

The 2022A-2 Trust and Fund loans mature on the dates and in the principal amounts and bear interest at the rates that are set forth below. Interest is payable on the first day of February and August.

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Trust Loan</u>		
			<u>Year</u>	<u>Amount</u>	<u>Rate</u>
<u>August 1</u>			<u>August 1</u>		
2024	65,000	5.00%	2039	130,000	5.00%
2025	65,000	5.00%	2040	135,000	5.00%
2026	70,000	5.00%	2041	145,000	5.00%
2027	75,000	5.00%	2042	150,000	5.00%
2028	75,000	5.00%	2043	160,000	5.00%
2029	80,000	5.00%	2044	165,000	5.00%
2030	85,000	5.00%	2045	175,000	5.00%
2031	90,000	5.00%	2046	185,000	5.00%
2032	95,000	5.00%	2047	190,000	5.00%
2033	95,000	5.00%	2048	200,000	5.00%
2034	100,000	5.00%	2049	210,000	5.00%
2035	105,000	5.00%	2050	225,000	5.00%
2036	110,000	5.00%	2051	235,000	5.00%
2037	120,000	5.00%	2052	245,000	5.00%
2038	125,000	5.00%			

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

6. **Bonds Payable, (continued)**

3. **New Jersey Infrastructure Bank - Series 2022A-2, (continued)**

<u>Year</u> <u>February 1</u>	<u>Amount</u>	<u>Fund Loan</u> <u>Year</u> <u>August 1</u>	<u>Amount</u>	<u>Fiscal year</u> <u>Total</u>
2024	47,781	2024	95,563	143,344
2025	47,782	2025	95,563	143,345
2026	47,781	2026	95,563	143,344
2027	47,782	2027	95,563	143,345
2028	47,781	2028	95,563	143,344
2029	47,782	2029	95,563	143,345
2030	47,781	2030	95,563	143,344
2031	47,782	2031	95,563	143,345
2032	47,781	2032	95,563	143,344
2033	47,782	2033	95,563	143,345
2034	47,781	2034	95,563	143,344
2035	47,782	2035	95,563	143,345
2036	47,781	2036	95,563	143,344
2037	47,782	2037	95,563	143,345
2038	47,781	2038	95,563	143,344
2039	47,782	2039	95,563	143,345
2040	47,781	2040	95,563	143,344
2041	47,782	2041	95,563	143,345
2042	47,781	2042	95,563	143,344
2043	47,781	2043	95,563	143,344
2044	47,781	2044	95,563	143,344
2045	47,781	2045	95,563	143,344
2046	47,781	2046	95,563	143,344
2047	47,781	2047	95,563	143,344
2048	47,781	2048	95,563	143,344
2049	47,781	2049	95,563	143,344
2050	47,781	2050	95,563	143,344
2051	47,781	2051	95,563	143,344
2052	47,781	2052	95,563	143,344
				<u>143,344</u>
				<u>\$4,156,985</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**6. Bonds Payable, (continued)**

4. Solid Waste Revenue Bonds - Series 2021

On August 17, 2021, the Authority issued \$5,375,000 Solid Waste Revenue Bonds, Series 2021. These bonds were issued to (1) finance the construction and undertaking of the Authority's Landfill Expansion Project; and (2) pay the costs and expenses in connection with the issuance of the bonds.

The Series 2021 Bonds are dated August 17, 2021, bear interest at rates ranging from 3.00% to 4.00% and mature in various principal amounts as described below on December 1 of each year from December 1, 2022 to December 1, 2051 inclusive. Interest on the Series 2021 Bonds is payable on June 1 and December 1 of each year.

Series 2021 Maturity Schedule

<u>Year</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2023	110,000	3.00%
2024	115,000	4.00%
2025	120,000	4.00%
2026	120,000	4.00%
2027	125,000	4.00%
2028	130,000	4.00%
2029	140,000	4.00%
2030	145,000	4.00%
2031	150,000	4.00%

\$650,000 3.00% Term Bond Due December 1, 2035  
 \$1,125,000 3.00% Term Bond Due December 1, 2041  
 \$1,105,000 3.00% Term Bond Due December 1, 2046  
 \$1,280,000 3.00% Term Bond Due December 1, 2051

**Option Redemption**

The Bonds maturing prior to December 1, 2032 are not subject to optional redemption. The Bonds maturing on or after December 1, 2032 shall be subject to redemption at the option of the Authority, in whole or in part, on any date on or after December 1, 2031, upon notice as required herein at a redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

6. **Bonds Payable, (continued)**

**Mandatory Sinking Fund Redemption**

The Bonds maturing on December 1, 2035 are subject to mandatory sinking fund redemption by the Authority on December 1, in each of the years and in the principal amounts set forth below, at a redemption price equal to 100% of the principal amount of such Bonds called for redemption, plus accrued interest to the date of redemption:

<u>Year</u>	<u>Principal Amount</u>
2032	\$155,000
2033	160,000
2034	165,000
2035*	170,000

\*Final Maturity

The Bonds maturing on December 1, 2041 are subject to mandatory sinking fund redemption by the Authority on December 1, in each of the years and in the principal amounts set forth below, at a redemption price equal to 100% of the principal amount of such Bonds called for redemption, plus accrued interest to the date of redemption:

<u>Year</u>	<u>Principal Amount</u>
2036	\$175,000
2037	180,000
2038	185,000
2039	190,000
2040	195,000
2041*	200,000

\*Final Maturity

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
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**NOVEMBER 30, 2023**  
(Continued)

6. **Bonds Payable, (continued)**

**Mandatory Sinking Fund Redemption**

The Bonds maturing on December 1, 2046 are subject to mandatory sinking fund redemption by the Authority on December 1, in each of the years and in the principal amounts set forth below, at a redemption price equal to 100% of the principal amount of such Bonds called for redemption, plus accrued interest to the date of redemption:

<u>Year</u>	<u>Principal Amount</u>
2042	\$210,000
2043	215,000
2044	220,000
2045	225,000
2046*	235,000

\*Final Maturity

The Bonds maturing on December 1, 2051 are subject to mandatory sinking fund redemption by the Authority on December 1, in each of the years and in the principal amounts set forth below, at a redemption price equal to 100% of the principal amount of such Bonds called for redemption, plus accrued interest to the date of redemption:

<u>Year</u>	<u>Principal Amount</u>
2047	\$240,000
2048	250,000
2049	255,000
2050	265,000
2051*	270,000

\*Final Maturity

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**6. Bonds Payable, (continued)**

3. Solid Waste Revenue Bonds - Series 2021, (continued)

Interest expense on Bonds, including amortization of deferred losses on refundings is comprised of the following:

	<u>2023</u>	<u>2022</u>
NJEIT Series 2018A-1	\$56,834	\$67,493
NJIB Series 2022A-2	200,131	
Solid Waste Revenue Bonds, Series 2021	<u>169,900</u>	<u>167,121</u>
	<u>\$426,865</u>	<u>\$234,614</u>

Paulinskill Water Reclamation System

	<u>Balance</u> <u>Nov. 30,</u> <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Nov. 30,</u> <u>2023</u>	<u>Amount Due</u> <u>Within</u> <u>One year</u>
USDA Rural Development Loans	<u>\$7,150,654</u>	<u>\$</u>	<u>\$133,200</u>	<u>\$7,017,454</u>	<u>\$136,677</u>

Interest expense on loans is comprised of the following:

	<u>2023</u>	<u>2022</u>
USDA Rural Development Loans	<u>\$183,488</u>	<u>\$186,920</u>

The Authority has entered into loan agreements with the United States Department of Agriculture in order to fund \$10,210,000 outstanding Paulinskill Basin Water Reclamation System Project Notes, Series 2015 issued to provide funds for the construction of a centralized wastewater collection and treatment system to serve the needs of the Borough of Branchville and the Township of Frankford. Under this agreement, the Authority was awarded grants of \$5,629,500 and was issued loans in the amount of \$7,825,000 under the U.S.D.A. Rural Development Program. These loans have interest rates and terms as follows:

<u>Loan</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Term</u>
\$5,496,000	2.750%	40 Years
757,000	2.250%	40 Years
1,572,000	2.250%	40 Years

Payments of principal and interest are due twice annually in June and December of each year. The loans have a final maturity in 2056.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**6. Bonds Payable, (continued)**

Principal and interest due on outstanding bonds and loans is as follows:

Upper Wallkill Facilities Fund

<u>Fiscal</u> <u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	3.125-4.85%	2,885,000	151,919	3,036,919
2025	3.125-4.91%	2,765,943	266,523	3,032,466
2026	3.125-4.97%	2,654,978	377,779	3,032,757
2027	3.375-5.03%	2,552,235	485,162	3,037,397
2028		2,447,793	588,588	3,036,381
2029-2033	3.375-5.09%	10,760,347	4,422,113	15,182,460
2034-2038	3.19-5.41%	8,150,848	4,615,277	12,766,125
2039-2041	3.00-3.60%	2,834,133	1,619,292	4,453,425
		<u>\$35,051,277</u>	<u>\$12,526,653</u>	<u>\$47,577,930</u>

Solid Waste Facilities Fund

<u>Fiscal</u> <u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	3.00-5.00%	1,224,738	425,236	1,649,974
2025	4.00-5.00%	1,239,738	406,536	1,646,274
2026	4.00-5.00%	1,264,738	386,586	1,651,324
2027	4.00-5.00%	968,611	365,536	1,334,147
2028		343,344	343,636	686,980
2029-2033	4.00%	1,881,721	1,575,607	3,457,328
2034-2038	3.00%	2,126,721	1,324,432	3,451,153
2039-2043	3.00%	2,416,721	1,031,982	3,448,703
2044-2048	3.00%	2,766,721	674,507	3,441,228
2049-2052	3.00%	2,528,378	229,645	2,758,023
		<u>\$16,761,431</u>	<u>\$6,763,703</u>	<u>\$23,525,134</u>



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**6. Bonds Payable, (continued)**

**Paulinskill Water Reclamation System**

<u>Fiscal</u> <u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	2.25-2.75%	136,677	181,740	318,417
2025	2.25-2.75%	140,244	178,173	318,417
2026	2.25-2.75%	143,904	174,512	318,416
2027	2.25-2.75%	147,661	170,755	318,416
2028		151,517	166,898	318,415
2029-2033	2.25-2.75%	819,071	773,005	1,592,076
2034-2038	2.25-2.75%	931,899	660,182	1,592,081
2039-2043	2.25-2.75%	1,060,401	531,676	1,592,077
2044-2048	2.25-2.75%	1,206,777	385,303	1,592,080
2049-2053	2.25-2.75%	1,373,533	218,547	1,592,080
2054-2056	2.25-2.75%	905,770	41,551	947,321
		<u>\$7,017,454</u>	<u>\$3,482,342</u>	<u>\$10,499,796</u>

**7. Construction Notes Payable - NJ Infrastructure Bank:**

The Authority has received financing for its "Leachate Pump Station and Force Main Project" and its "Landfill Expansion Project" from loans issued through the Water Bank Construction Financing Program of the New Jersey Infrastructure Bank. As of November 30, 2023, the Authority had the following activity and principal amounts outstanding on these notes:

**Solid Waste Facilities Fund:**

<u>Note</u>	<u>Project</u>	<u>Balance</u> <u>11-30-22</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>11-30-23</u>
NJWB-CFP-20-1	Leachate Force Main	8,654,779		8,654,779	-0-
NJWB-CFP-23-1	Landfill Expansion	27,181,599	5,586,455		32,768,054
		<u>34,661,546</u>	<u>5,586,455</u>	<u>8,654,779</u>	<u>32,768,054</u>

Note NJWB-CFP-20-1 was permanently financed by the issuance of the Series 2022A-2 bonds through the New Jersey Infrastructure Bank as described in Note 6 to the financial statements.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**7. Construction Notes Payable - NJ Infrastructure Bank: (continued)**

The maturity dates of the loan will be determined pursuant to clause (i), (ii) or (iii) of this definition, subject to being redetermined pursuant to clause (iv) or (v) of this definition, but subject, in all events, to the rights and remedies of the I-Bank pursuant to the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants and obligations of the Borrower hereunder, including, without limitation and in particular, the covenants and obligations of the Borrower set forth in Section 3 hereof.

- (i) If the construction contract relating to the Project has not been certified for funding pursuant to the Act by the date that is the second anniversary of the Issue Date, then the Maturity Date shall be the second anniversary of the Issue Date.
- (ii) If the construction contract relating to the Project has been certified for funding pursuant to the Act prior to the Issue Date, then the Maturity Date shall be June 30 of the third State Fiscal Year following the State Fiscal Year in which the Issue Date occurs, which is June 30, 2024. In the event that there is more than one construction contract relating to the Project, the determination under this clause (ii) shall be based on the first construction contract that has been certified for funding pursuant to the Act.
- (iii) If the construction contract relating to the Project has been certified for funding pursuant to the Act after the Issue Date and on or before the date that is the second anniversary of the Issue Date, then the Maturity Date shall be June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract relating to the Project has been certified for funding pursuant to the Act. In the event that there is more than one construction contract relating to the Project, the determination under this clause (iii) shall be based on the first construction contract that has been certified for funding pursuant to the Act. Thus:
  - (A) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the same State Fiscal Year as the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 2024, being June 30 of the third State Fiscal Year following the State Fiscal Year during which the Issue Date occurs.
  - (B) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the first State Fiscal Year following the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 2025, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

7. **Construction Notes Payable - NJ Infrastructure Bank: (continued)**

- (C) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the second State Fiscal Year following the State Fiscal Year during which the Issue Date occurs (but on or before the second anniversary of the Issue Date), then the Maturity Date shall be June 30, 3026, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.
- (iv) Notwithstanding any of the forgoing, the Maturity Date shall be such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program;
- (v) Notwithstanding any of the forgoing, the Maturity Date shall be such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and agreed by an Authorized Officer of the Borrower.

It is expected that this note will be permanently financed with long-term bonds issued through the New Jersey Infrastructure Bank.

8. **Lease Assets**

Lease asset balances and activity for the year ended November 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Lease Assets Being Amortized: (1)			
Equipment	1,614,190		1,614,190
Less Accumulated Amortization:			
Equipment	<u>642,496</u>	<u>254,569</u>	<u>869,965</u>
Lease Assets, Net of			
Accumulated Amortization	<u>971,694</u>	<u>254,469</u>	<u>717,225</u>

- (1) Included in "Machinery and Equipment" in the Statement of Net Position.  
(2) Included in "Accumulated Depreciation" in the Statement of Net Position.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

**9. Leases Payable**

The Authority had leases outstanding as of November 30, 2023 as follows:

<u>Purpose</u>	<u>Commencement</u> <u>Date</u>	<u>Frequency of</u> <u>Payment</u>	<u>Final Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>
Caterpillar 836K Compactor	2/1/20	Monthly	9/1/24	4.09	159,468
Morbark Tub Grinder	3/28/22	Annual	3/28/26	4.09	307,331
					<u>\$466,799</u>

Principal and interest due on leases outstanding are as follows:

<u>Year Ending</u> <u>November 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	257,830	12,582
2025	102,389	8,555
2026	<u>106,580</u>	<u>4,363</u>
	<u>\$466,799</u>	<u>\$25,500</u>

**10. Pension Plans**

Description of Plans:

Authority employees participate in the State of New Jersey Public Employees' Retirement System (PERS) contributory, defined benefit public employee retirement systems or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

*Public Employees' Retirement System (PERS)*

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**10. Pension Plans, (continued)**

**Benefits Provided**

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 ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

**Defined Contribution Retirement Program**

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

**10. Pension Plans, (continued)**

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

**Contribution Requirements**

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds originally provided for employee contributions based on 5.5% for PERS. This amount was increased to 6.5% plus an additional 1% phased in over 7 years beginning 2012, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS.

The Authority's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Fiscal</u> <u>Year</u>	<u>PERS</u>	<u>DCRP</u>
2023	\$638,565	\$-0-
2022	605,476	-0-
2021	506,575	-0-
2020	449,041	-0-

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68**

**Public Employees Retirement System (PERS)**

At November 30, 2023, the Authority reported a liability of \$7,524,601 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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. At June 30, 2023, the Authority's proportion was .0519497822 percent, which was a decrease of .0013121388 percent from its proportion measured as of June 30, 2022.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

**10. Pension Plans, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68, (continued)**

**Public Employees Retirement System (PERS), (continued)**

For the year ended November 30, 2023, the Authority recognized pension benefit of \$160,412. At November 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$71,945	\$30,758
Changes of assumptions	16,530	456,023
Net difference between projected and actual earnings on pension plan investments	34,652	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>671,307</u>	<u>126,466</u>
Total	<u>\$794,434</u>	<u>\$613,247</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended November 30:	
2024	\$(397,271)
2025	(221,741)
2026	309,869
2027	(55,454)
2028	943

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

**10. Pension Plans, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,484,374,047	15,091,376,611
Authority's Proportion	.0519497822%	.0506376434%



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**10. Pension Plans, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68, (continued)**

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

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 based on Scale MP-2021.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

**10. Pension Plans, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) 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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

**10. Pension Plans, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Authority's proportionate share of the pension liability	\$9,878,013	\$7,524,601	\$5,638,969

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

**11. Other Post Employment Benefits (OPEB)**

In addition to the pension described in Note 7, the Authority provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

**General Information about the OPEB Plan**

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement providing 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.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**11. Other Post Employment Benefits (OPEB), (continued)**

**Total OPEB Liability**

At November 30, 2023, the Authority had a liability of \$16,943,884 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on a projection of the Authority's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers in the plan. At June 30, 2023, the Authority's proportion was .112910 percent which was an increase of .01597 percent from its proportion measured as of June 30, 2022.

For the year ended November 30, 2023, the Authority recognized OPEB expense of \$248,021. At November 30, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$781,364	\$4,601,405
Changes of assumptions	2,194,869	4,789,493
Net difference between projected and actual earnings on OPEB plan investments		2,796
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	<u>5,259,399</u>	<u>694,438</u>
Total	<u>\$8,235,632</u>	<u>\$10,088,132</u>

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$(1,922,274)
2025	(1,574,463)
2026	(851,757)
2027	(399,274)
2028	(805,951)
Thereafter	(863,742)

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**11. Other Post Employment Benefits (OPEB), (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Actual Assumptions and Other Inputs**

The total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Salary increases\*:

Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate for all future years	2.75% to 6.55%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 16.25%

Mortality:

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

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

100% of active members are considered to participate in the Plan upon retirement.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**11. Other Post Employment Benefits (OPEB), (continued)**

**Discount Rate**

The discount rate for June 30, 2023 and 2022 was 3.65% and 3.54%, respectively. This represents the municipal bond return rate as chosen by the Division. 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.

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

The following presents the Authority's proportionate share of the net OPEB liability as of June 30, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2023		
	1% Decrease	At Current Discount Rate	1% Increase
Authority's proportionate share of Net OPEB liability	<u>2.65%</u> \$19,626,418	<u>3.65%</u> \$16,943,884	<u>4.65%</u> \$14,786,199

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**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**11. Other Post Employment Benefits (OPEB), (continued)**

**Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates:**

The following presents the Authority's proportionate share of the net OPEB liability as of June 30, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2023		
	<u>1%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>trend Rate</u>	<u>1%</u> <u>Increase</u>
Authority's proportionate share of Net OPEB liability	\$14,400,307	\$16,943,884	\$20,200,439

**12. Deferred Compensation Plan**

Employees of the Sussex County Municipal Utilities Authority may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Government). The deferred compensation plan is available to all employees of the Authority. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The deferred compensation plan is administered by an unrelated financial institution. The employees' contributions to the Plan and all income attributable to those amounts have been transferred to the exclusive benefit of the participating employees and their beneficiaries.

**13. Unamortized Bond Premiums**

The Authority received a net premium of \$34,954 on its issuance of the Series 2008 A and B Bonds, \$100,730 on the issuance of the Series 2012 Wastewater Revenue Refunding Bonds, and \$350,417 on the issuance of the Series 2016 A and B Wastewater Revenue Refunding Bonds. Additionally, the Authority received a premium of \$284,987 on the issuance of its Solid Waste Facilities New Jersey Environmental Infrastructure Trust Series 2018A-1 Bonds, and \$620,903 on the issue of the Series 2021 Solid Waste Revenue Bonds. At November 30, 2023, the balance which remains to be amortized over the life of the Bonds using the straight-line method is as follows:

<u>Solid Waste Facilities</u>	<u>Wastewater Facilities</u>	<u>Total</u>
\$1,155,920	\$292,562	\$1,448,482

The unamortized balance is reported in the financial statements as a deferred inflow of resources.



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**14. Closure and Postclosure Care Cost**

State and federal laws and regulations require the Authority to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure of its entire landfill operations. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Authority reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

As of November 30, 2023, the Authority reported a deficiency of \$7,977,543 in landfill closure/postclosure care reserve. A comparison of the Closure Account balance and the current total closure liability calculation suggest additional contributions to the Landfill Closure/Postclosure Closure Care Account should be implemented in future years.

The cell closure account was established in accordance with GASB #18 requiring the cost associated with the closure of the landfill should be recognized based on the Authority Solid Waste Landfill use rather than on the passage of time, using a formula provided by the GASB statement. The Authority began funding this liability in fiscal year ending November 30, 1993. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Authority is required by state and federal laws and regulations to make annual contributions to a trust account to finance postclosure care. The Authority is in compliance with these requirements, and, at November 30, 2023, cash and cash equivalents, investments and receivables of \$16,724,221 are held for these purposes. These are reported as restricted assets on the balance sheet. The Authority calculates future inflation costs in determining the annual contributions. This calculation is required to be performed every two years and submitted to the DEP for its approval.

**15. Reserves Required by Bond Resolution**

Upper Walkkill Facilities Fund:

The following reserves are required by the bond resolution:

Operating Requirement:	\$1,679,167
Funded by:	
Cash, Cash Equivalents and Investments	<u>1,679,167</u>
Excess/(Deficit)	<u>\$ -0-</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**15. Reserves Required by Bond Resolution, (continued)**

Future Debt Service Requirement:	3,045,400
Funded by:	
Insurance Policy with Assured Guarantee Municipal Corp.	<u>3,045,400</u>
Excess/(Deficit)	<u>-0-</u>
Renewal and Replacement Requirement:	1,376,843
Funded by:	
Cash, Cash Equivalents and Investments	<u>1,376,843</u>
Excess/(Deficit)	<u>-0-</u>
Current Debt Service Requirement:	2,963,303
Funded by:	
Cash, Cash Equivalents and Investments	<u>2,963,303</u>
Excess/(Deficit)	<u>-0-</u>

**Solid Waste Facilities Fund:**

The following cash reserves are required by the bond resolution:

Revenue Fund Requirement:	2,683,600
Funded by:	
Cash, Cash Equivalents and Investments	<u>2,683,600</u>
Excess/(Deficit)	<u>-0-</u>
Renewal and Replacement Requirement:	1,107,155
Funded by:	
Cash, Cash Equivalents and Investments	<u>1,107,155</u>
Excess/(Deficit)	<u>-0-</u>

**16. Commitments and Contingent Liabilities**

The Authority's general and special counsels advised us that there is no pending litigation that would have a material affect on the Authority's financial statements.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**17. Other Matters**

**Solid Waste Facilities**

The Authority's Solid Waste Facilities experienced a decrease in tonnage in fiscal year 2023. This decrease is largely the result of additional tonnage received in FY2022 from two main sources: (1) the landfill received 2,377 tons of landfill debris in FY2022 from the expansion project and (2) 2,894 tons of ID 27R in FY2022 from a defunct glass recycling facility in the County. All Solid Waste Facility Bonds were retired in FY2016. In FY2017, a Sanitary Landfill Expansion Project was financed through the NJ Environmental Infrastructure Trust. In FY2018 through FY2028, debt service payments for the expansion project will be budgeted; however, these debt service requirements will be significantly less than previous debt service requirements. The tipping fee and tonnage for the last eight years was as follows:

	<u>Tipping Fee</u> <u>Revenues</u>	<u>Tonnage</u>
2016	10,620,209	98,527 tons
2017	11,094,406	103,688 tons
2018	11,578,103	108,683 tons
2019	11,860,873	108,352 tons
2020	11,698,008	108,059 tons
2021	11,819,606	110,819 tons
2022	11,872,922	113,358 tons
2023	11,609,206	107,644 tons

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
(Continued)

**18. Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The Authority is currently enrolled in the Statewide Insurance Fund. The Fund provides members with Property, Liability, Workers Compensation, and Automobile insurance. The Authority also maintains other liability insurance and surety bonds as listed below:

	<u>Coverage</u>
Commercial Package Policy	
Commercial General Liability/Automobile Liability	10,000,000
Workers Compensation	Statutory
Public Officials Liability	5,000,000
Pollution - Legal	1,000,000
Underground Storage Tank	1,000,000

**New Jersey Unemployment Compensation Insurance** - The Authority has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Authority is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Authority is billed quarterly for amounts due to the State. The following is a summary of Authority contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Authority's expendable trust fund for the current and prior year:

Fiscal Year	Authority	Employee		Amount	Ending
<u>Ending</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Interest</u>	<u>Reimbursed</u>	<u>Balance</u>
11-30-19	\$-0-	\$1,272	\$1,404	\$2,150	\$640,887
11-30-20	-0-	7,411	6,380	649	654,029
11-30-21	-0-	7,590	836	4,220	658,235
11-30-22	-0-	8,319	491	3,787	663,258
11-30-23	-0-	8,801	1,641	2,292	671,408

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**19. Designation of Unrestricted Net Position**

As of November 30, 2023, the Authority's accounts maintain funds that, although may be spent for any lawful purpose by the Authority, have been designated by the Board for the following purposes and amounts:

	<u>Upper Walkill Facilities</u>	<u>Solid Waste Facilities</u>	<u>Hampton Commons Facilities</u>	<u>Paulinskill Water Reclamation System</u>	<u>Walkill Watershed Project</u>	<u>Total</u>
Workers Compensation	9,439					9,439
Vernon Twp. Rate Stabilization	159,352					159,352
Walkill Watershed Projects Appropriated in subsequent year's budget	<u>450,000</u>	<u>1,000,000</u>	<u>36,150</u>	<u>45,000</u>	<u>369,842</u>	<u>1,531,150</u>
	<u>618,791</u>	<u>1,000,000</u>	<u>36,150</u>	<u>45,000</u>	<u>369,842</u>	<u>2,069,783</u>

At November 30, 2023, the Authority reported a total amount of \$2,069,783 of Unrestricted Net Position - Designated for the purposes described above.

The remaining, undesignated portion of the Authority's net position was comprised of the following at November 30, 2023 and 2022:

<u>2023</u>	<u>Upper Walkill</u>	<u>Solid Waste</u>	<u>Hampton Commons</u>	<u>Paulinskill</u>	<u>Total</u>
Accrued OPEB Adjustments	(\$5,572,134)	(\$13,224,250)			(\$18,796,384)
Accrued Unfunded Pension Adjustments	(2,644,000)	(4,699,414)			(7,343,414)
Available for Use in Future Budgets	<u>5,731,850</u>	<u>12,931,088</u>	<u>163,821</u>	<u>409,330</u>	<u>19,236,089</u>
Total	<u>(\$2,484,284)</u>	<u>(\$4,992,576)</u>	<u>\$163,821</u>	<u>\$409,330</u>	<u>(\$6,903,709)</u>
<u>2022</u>	<u>Upper Walkill</u>	<u>Solid Waste</u>	<u>Hampton Commons</u>	<u>Paulinskill</u>	<u>Total</u>
Accrued OPEB Adjustments	(\$5,673,957)	(\$13,461,838)			(\$19,135,795)
Accrued Unfunded Pension Adjustments	(2,805,516)	(5,071,809)			(7,877,325)
Available for Use in Future Budgets	<u>5,980,981</u>	<u>11,861,268</u>	<u>173,972</u>	<u>395,055</u>	<u>18,411,276</u>
Total	<u>(\$2,498,492)</u>	<u>(\$6,672,379)</u>	<u>\$173,972</u>	<u>\$395,055</u>	<u>(\$8,601,844)</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2023**  
**(Continued)**

**20. Subsequent Events**

The Authority has evaluated subsequent events through October 1, 2024, the date which the financial statements were available to be issued and noted the following items for disclosure:

On December 22, 2022, the Authority issued \$32,179,511 principal amount of Subordinate Bonds through the New Jersey Infrastructure Bank Program. The bonds were issued to permanently finance note number NJWB-CFP-23-1 issued through the Water Bank Construction Financing Program to fund the Authority's Landfill Expansion Project.

**Required Supplementary Information**

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
 Schedules of Required Supplementary Information  
 Schedule of Authority's Share of Net Pension Liability - PERS  
 Last 10 Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability (asset)	0.05194978222%	0.0506376434%	0.0517007610%	0.0463069795%	0.0461641298%	0.0465655560%	0.0456961702%	0.0418126938%	0.0411644622%	0.0444666626%
Authority's proportionate share of the net pension liability (asset)	\$ 7,524,601	\$ 7,641,917	\$ 6,124,730	\$ 7,551,456	\$ 8,318,076	\$ 9,186,443	\$ 10,683,895	\$ 12,383,721	\$ 9,238,352	\$ 8,325,381
Authority's covered payroll - PERS	\$ 4,080,327	\$ 3,954,180	\$ 3,705,775	\$ 3,639,487	\$ 3,222,505	\$ 3,263,132	\$ 3,175,742	\$ 3,153,643	\$ 2,988,385	\$ 2,824,420
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	184.41%	193.26%	165.28%	207.49%	258.12%	281.52%	336.42%	392.69%	309.14%	294.76%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.



SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
 Schedules of Required Supplementary Information  
 Schedule of Authority's Contributions - PERS  
 Last 10 Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 638,565	\$ 605,476	\$ 506,575	\$ 449,041	\$ 464,082	\$ 425,179	\$ 371,458	\$ 353,818	\$ 366,577	\$ 279,694
Contributions in relation to the contractually required contribution	(638,565)	(605,476)	(506,575)	(449,041)	(464,082)	(425,179)	(371,458)	(353,818)	(366,577)	(279,694)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll - PERS	\$ 4,080,327	\$ 3,954,180	\$ 3,705,775	\$ 3,639,487	\$ 3,222,505	\$ 3,263,132	\$ 3,175,742	\$ 3,153,843	\$ 2,988,385	\$ 2,824,420
Contributions as a percentage of covered payroll	15.65%	15.31%	13.67%	12.34%	14.40%	13.03%	11.70%	11.22%	12.27%	9.90%

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**Note to Required Schedules of Supplementary Information**  
**For the Fiscal Year Ended November 30, 2023**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the pension liability are presented in Note 10.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
 Schedules of Required Supplementary Information  
 Schedule of Authority's Share of Net OPEB Liability  
 Last 10 Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017
Authority's proportion of the net OPEB liability (asset)	0.112910%	0.096937%	0.098533%	0.098849%	0.083161%	0.085938%	0.087689%
Authority's proportionate share of the net OPEB liability (asset)	\$ 16,943,884	\$ 15,654,933	\$ 17,735,724	\$ 17,740,047	\$ 11,265,048	\$ 13,463,578	\$ 17,902,491
Authority's covered payroll	\$ 4,080,327	\$ 3,954,180	\$ 3,705,775	\$ 3,639,487	\$ 3,222,505	\$ 3,263,132	\$ 3,175,742
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	415.26%	395.91%	478.60%	487.43%	349.57%	412.60%	563.73%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.78%	-0.36%	0.28%	0.91%	1.98%	1.97%	1.03%

\* GASB requires that ten years of information be presented. However, since fiscal year 2017 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
 Schedules of Required Supplementary Information  
 Schedule of Authority's OPEB Contributions  
 Last 10 Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 587,432	\$ 505,180	\$ 489,169	\$ 404,906	\$ 366,578	\$ 547,116	\$ 531,383
Contributions in relation to the contractually required contribution	\$ (587,432)	\$ (505,180)	(489,169)	\$ (404,906)	\$ (366,578)	\$ (547,116)	\$ (531,383)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 4,080,327	\$ 3,954,180	\$ 3,705,775	\$ 3,639,487	\$ 3,222,505	\$ 3,263,132	\$ 3,175,742
Contributions as a percentage of covered payroll	14.40%	12.78%	13.20%	11.13%	11.38%	16.77%	16.73%

\* GASB requires that ten years of information be presented. However, since fiscal year 2017 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
 Schedules of Required Supplementary Information  
 Schedule of Changes in the Authority's Proportionate  
 Share of the State OPEB Contributions  
 Last 10 Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 674,226	\$ 772,253	\$ 833,664	\$ 598,975	\$ 554,330	\$ 770,207	\$ 933,472
Interest	656,431	389,079	407,766	491,719	528,973	656,637	568,596
Changes of Benefit Terms	26,014	390,147	1,999	1,022	(1,583)		
Difference Between Expected and Actual Experience	(2,397,446)	554,525	(1,178,649)	535,274	(1,164,189)	(3,116,442)	
Changes in Assumptions	288,038	(3,489,296)	334,190	3,039,576	(1,360,315)	(1,988,812)	(2,269,261)
Benefit Payments	(674,178)	(567,364)	(502,166)	(460,853)	(391,006)	(362,333)	(366,092)
Contributions - Members	70,472	51,538	42,675	37,114	35,967	46,395	46,989
Change in Allocation	2,570,204	(288,081)	(57,232)	2,167,963	(443,795)	(361,215)	
Net Change in Total OPEB Liability	1,213,761	(2,187,199)	(117,753)	6,410,790	(2,241,618)	(4,355,563)	(1,086,296)
Total OPEB Liability - Beginning	15,598,060	17,785,259	17,903,012	11,492,222	13,733,840	18,089,403	19,175,699
Total OPEB Liability - Ending	16,811,821	15,598,060	17,785,259	17,903,012	11,492,222	13,733,840	18,089,403
Plan Fiduciary Net Position:							
Contributions - Employer	\$ 487,078	\$ 377,560	\$ 320,328	\$ 289,039	\$ 288,082	\$ 361,966	\$ 334,808
Contributions - Non-Employer							
Contributing Entities	62,795	44,389	37,223	34,609	36,470	46,018	46,532
Contributions - Members	70,472	51,538	42,675	37,114	35,967	46,395	46,989
Net Investment Income	2,260	229	198	2,825	4,014	1,994	694
Benefit Payments	(674,178)	(567,364)	(502,166)	(460,853)	(391,006)	(362,333)	(366,092)
Administrative Expense	(14,246)	(11,957)	(11,168)	(9,799)	(7,882)	(7,047)	(7,800)
Change in Allocation	(9,371)	(803)	(520)	42,856	(8,733)	(3,733)	
Net Change in Plan Fiduciary Net Position	(75,190)	(106,408)	(113,430)	(64,209)	(43,088)	83,260	55,131
Plan Fiduciary Net Position - Beginning	(56,873)	49,535	162,965	227,174	270,262	187,002	131,871
Plan Fiduciary Net Position - Ending	(132,063)	(56,873)	49,535	162,965	227,174	270,262	187,002
Authority's Net OPEB Liability	\$ 16,943,884	\$ 15,654,933	\$ 17,735,724	\$ 17,740,047	\$ 11,265,048	\$ 13,463,578	\$ 17,902,401

\* GASB requires that ten years of information be presented. However, since fiscal year 2017 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**Note to Required Schedules of Supplementary Information**  
**For the Fiscal Year Ended November 30, 2023**

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the OPEB liability are presented in Note 11.

**Supplemental Schedules**

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
NOVEMBER 30, 2023

	Business-Type Activities							Internal Service Fund
	Enterprise Funds							
	Upper Wallkill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Wallkill Watershed Project	Total	
<b>Assets:</b>								
Current Assets:								
Unrestricted:								
Cash and Cash Equivalents	6,420,237	14,074,532	214,080	457,504	4,646	357,448	21,528,467	305,718
Accounts Receivable (Net)	450,016	654,962	22,631				1,127,609	
Prepaid Expenses	20,901	22,795	249	955		613	45,513	5,241
Due from State of New Jersey		324,000					324,000	
Due from Central Services	87,728	176,894	1,737	2,144		26,094	294,597	
Total Unrestricted Current Assets:	6,978,882	15,253,203	238,697	460,603	4,646	384,155	23,320,186	310,959
Restricted:								
Phase II Construction Account:								
Cash and Cash Equivalents	322,481	3,704,660					4,027,141	
Due from NJ Infrastructure Bank		1,069,334					1,069,334	
Due from Central Services	2,474						2,474	
Phase III Construction Account:								
Cash and Cash Equivalents	260,521						260,521	
Renewal and Replacement Account:								
Cash and Cash Equivalents	1,376,843	1,107,155	117,601	145,594			2,747,193	
Current Debt Service Accounts:								
Cash and Cash Equivalents	2,963,303	436,933		159,208			3,559,444	



SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
NOVEMBER 30, 2023

	Business-Type Activities							Internal Service Fund
	Enterprise Funds							
	Upper Waikill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Waikill Watershed Project	Total	
Retained Percentages Account:								
Cash and Cash Equivalents	27,814	619,282					647,096	
Operations:								
Cash and Cash Equivalents	1,679,167	2,683,600					4,362,767	
Cell Closure Account:								
Cash and Cash Equivalents		3,469,375					3,469,375	
Due from Central Services		3,010					3,010	
Due from Construction Fund		1,089,725					1,089,725	
Landfill Postclosure Account:								
Cash and Cash Equivalents		173,536					173,536	
Investments		11,988,575					11,988,575	
Unemployment Trust Account:								
Cash and Cash Equivalents								274,004
Investments								397,404
Total Restricted Current Assets:	6,632,603	26,345,185	117,601	304,802	-	-	33,400,191	671,408
Total Current Assets	13,611,485	41,598,388	356,298	765,405	4,646	384,155	56,720,377	982,367

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
NOVEMBER 30, 2023

	Business-Type Activities										Internal Service Fund
	Enterprise Funds										
	Upper Walkkill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Walkkill Watershed Project	Total				
<b>Non-Current Assets</b>											
Capital Assets:											
Land	573,834	2,770,568	32,741	456,782			3,833,925				
Improvements	23,135,331	103,422,162					126,557,493				
Buildings	42,104,696	12,923,272	510,231	12,317,902			67,856,101				
Machinery and Equipment	12,944,045	12,277,163	770,244	446,779		6,214	26,444,445				
Accumulated Depreciation	(60,593,342)	(70,938,984)	(1,181,284)	(2,300,638)		(6,214)	(135,020,462)				
Construction in Progress	1,398,138						1,398,138				
<b>Total Non-Current Assets</b>	19,562,702	60,454,181	131,932	10,920,825			91,069,640				
<b>Total Assets</b>	33,174,187	102,052,569	488,230	11,686,230	4,646	384,155	147,790,017				982,367
<b>Deferred Outflows of Resources:</b>											
Deferred Outflows - PERS	227,078	567,356					794,434				
Deferred Outflows - OPEB	2,346,201	5,889,431					8,235,632				
Deferred Losses on Early Retirement of Debt	952,294						952,294				
<b>Total Deferred Outflows of Resources</b>	3,525,573	6,456,787					9,982,360				

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
NOVEMBER 30, 2023

	Business-Type Activities							Internal Service Fund
	Enterprise Funds							
	Upper Walkkill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Walkkill Watershed Project	Total	
<b>Liabilities:</b>								
<b>Current Liabilities:</b>								
Payable from Unrestricted Assets:								
Payroll Taxes Payable								7,153
Accounts Payable	193,624	295,211	38,726	6,273		14,313	548,147	3,725
Accounts Payable - PERS	205,748	488,575					694,323	
Due to Other Funds								300,081
Escrow Deposits Payable					4,646		4,646	
<b>Total Current Liabilities Payable from Unrestricted Assets</b>	<b>399,372</b>	<b>783,786</b>	<b>38,726</b>	<b>6,273</b>	<b>4,646</b>	<b>14,313</b>	<b>1,247,116</b>	<b>310,959</b>
Payable from Restricted Assets:								
Accounts Payable: Construction	805,145	37,175					842,320	
Retainage Payable	27,814	619,282					647,096	
Due to Cell Closure: Construction		1,089,725					1,089,725	
Bonds and Loans Payable - Current Portion	2,885,000	1,224,738		136,677			4,246,415	
Construction Loan Payable - NJ Infrastructure Bank		32,768,054					32,768,054	
Financed Purchases		257,830					257,830	
Accrued Interest on Bonds	1,434,363	166,533		91,310			1,692,206	
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>5,152,322</b>	<b>36,163,337</b>	<b>-</b>	<b>227,987</b>	<b>-</b>	<b>-</b>	<b>41,543,646</b>	<b>-</b>
<b>Total Current Liabilities</b>	<b>5,551,694</b>	<b>36,947,123</b>	<b>38,726</b>	<b>234,260</b>	<b>4,646</b>	<b>14,313</b>	<b>42,790,762</b>	<b>310,959</b>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
NOVEMBER 30, 2023

	Business-Type Activities							Internal Service Fund
	Enterprise Funds							
	Upper Walkhill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskil Water Reclamation System	Other Sewer Companies	Walkhill Watershed Project	Total	
<b>Non-Current Liabilities:</b>								
Revenue and Revenue Refunding								
Bonds Payable	32,166,277	5,205,000		6,880,777			37,371,277	
USDA Loans Payable		10,331,693					6,880,777	
NJET Loans Payable							10,331,693	
Loans Payable to County of Sussex:								
Planning Loan	324,949						324,949	
Financed Purchases		208,969					208,969	
Net Pension Liability	2,687,352	4,837,249					7,524,601	
Net OPEB Liability	4,946,257	11,997,627					16,943,884	
Accrued Liabilities - Closure and Postclosure Costs		24,701,764					24,701,764	
Accrued Liabilities - Compensated Absences	228,869	538,329					767,198	
<b>Total Non-Current Liabilities</b>	<b>40,353,704</b>	<b>57,820,631</b>	<b>-</b>	<b>6,880,777</b>	<b>-</b>	<b>-</b>	<b>105,055,112</b>	<b>-</b>
<b>Total Liabilities</b>	<b>45,905,398</b>	<b>94,767,754</b>	<b>38,726</b>	<b>7,115,037</b>	<b>4,646</b>	<b>14,313</b>	<b>147,845,874</b>	<b>310,959</b>
<b>Deferred Inflows of Resources:</b>								
Deferred Inflows - PERS	183,726	429,521					613,247	
Deferred Inflows - OPEB	2,972,078	7,116,054					10,088,132	
Bond Premium - Net	292,562	1,155,920					1,448,482	
<b>Total Deferred Inflows of Resources</b>	<b>3,448,366</b>	<b>8,701,495</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,149,861</b>	<b>-</b>
<b>Net Position:</b>								
Net Investment in Capital Assets	(15,373,461)	12,949,071	131,932	3,903,371			1,610,913	
Restricted:								
Current Debt Service	1,528,940	270,400		67,898			1,867,238	
Renewal and Replacement Operations	1,376,843	1,107,155	117,601	145,594			2,747,193	
Landfill Cell Closure/Postclosure Unemployment Insurance	1,679,167	2,683,600					4,362,767	
Landfill Cell Closure/Postclosure Unemployment Insurance		(7,977,543)					(7,977,543)	671,408
Unrestricted:								
Designated	618,791	1,000,000	36,150	45,000		369,842	2,069,783	
Undesignated	(2,484,284)	(4,992,576)	163,821	409,330			(6,903,709)	
<b>Total Net Position</b>	<b>(12,654,004)</b>	<b>5,040,107</b>	<b>449,504</b>	<b>4,571,193</b>	<b>-</b>	<b>369,842</b>	<b>(2,223,358)</b>	<b>671,408</b>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2023**

	Business-Type Activities							Internal Service Fund
	Enterprise Funds							
	Upper Walkkil Wastewater System	Hampton Commons Wastewater System	Paulinskil Water Reclamation System	Other Sewer Companies	Walkkil Watershed Project	Total		
<b>Operating Revenues</b>								
User Charges	6,558,500	230,000	674,500				7,463,000	1,833,591
Treatment of Sludge, Septage and Leachate	1,207,085						1,207,085	
Operating and Maintenance Charges-Municipal	193,100						193,100	
Tipping Fees		11,609,206					11,609,206	
Recycling Markets		205,693					205,693	
Connection Fees	286,289		4,652				290,941	
Operating Grants		162,000			733,643		895,643	
Finance Charges	26,435	2,426					28,861	
Interest	389,387	688,522	22,963				1,100,872	1,641
Other	246,147	232,590			100,000		578,737	8,902
	8,906,943	12,900,437	230,000	702,115	833,643	-	23,573,138	1,844,134
<b>Operating Expenses</b>								
Administration, Operating, Maintenance and Reserves	4,805,341	8,428,603	239,001	334,146	616,737		14,423,828	1,833,692
Other								2,292
Depreciation Expense	2,300,633	2,657,415	16,917	337,025			5,311,990	
	7,105,974	11,086,018	255,918	671,171	616,737	-	19,735,818	1,835,984
<b>Operating Income</b>	1,800,969	1,814,419	(25,918)	30,944	216,906	-	3,837,320	8,150

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2023**

	Business-Type Activities							Internal Service Fund
	Enterprise Funds							
	Upper Walkkill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Walkkill Watershed Project	Total	
<b>Non-Operating Revenues (Expenses)</b>								
Interest on Investments	61,246	280,151					341,397	
Budget Approp. - Renewal and Replacement	100,000	200,000	50,000	70,000			420,000	
Budget Approp. - Cell Closure		400,000					400,000	
Budget Approp. - Vernon Rate Stabilization	4,649						4,649	
Interest Expense	(486,807)	(426,865)		(183,488)			(1,097,160)	
Lease Interest		(16,451)					(16,451)	
Accrued Interest on Capital Appreciation Bonds	(1,406,393)						(1,406,393)	
Amortization of Bond Discount, Premiums	(58,864)						6,515	
Investment Expenses		65,379					(113,291)	
Debt Issuance Costs		(113,291)					(137,309)	
Cell Closure Expenditures (Net)		(137,309)					(5,426,325)	
Postclosure Expenditures (Net)		(5,426,325)					676,091	
Gain on Disposal of Capital Assets	30,942	42,326					73,268	
Vernon Rate Stabilization	(50,000)						(50,000)	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(1,805,227)</b>	<b>(4,456,294)</b>	<b>50,000</b>	<b>(113,488)</b>	<b>-</b>	<b>-</b>	<b>(6,325,009)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(4,258)</b>	<b>(2,641,875)</b>	<b>24,082</b>	<b>(82,544)</b>	<b>-</b>	<b>216,906</b>	<b>(2,487,689)</b>	<b>8,150</b>
<b>Net Position - Beginning</b>	<b>(12,649,746)</b>	<b>7,681,982</b>	<b>425,422</b>	<b>4,653,737</b>	<b>-</b>	<b>152,936</b>	<b>264,331</b>	<b>663,258</b>
<b>Net Position - Ending</b>	<b>(12,654,004)</b>	<b>5,040,107</b>	<b>449,504</b>	<b>4,571,193</b>	<b>-</b>	<b>369,842</b>	<b>(2,223,358)</b>	<b>671,408</b>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED NOVEMBER 30, 2023

	Business-Type Activities Enterprise Funds							Internal Service Fund
	Upper Walkkill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Walkkill Watershed Project	Total	
<b>Cash Flows from Operating Activities:</b>								
Cash received from users	7,190,786	11,600,607	215,895	678,821		100,000	20,286,109	1,833,591
Other operating receipts	558,871	235,016		4,652			898,539	8,902
Interest Received	450,633	968,673		22,963			1,442,269	1,641
Operating grants received		162,000				733,643	895,643	
Cash paid to employees	(1,148,561)	(2,648,164)				(260,271)	(4,056,996)	(1,049,127)
Cash paid for employee benefits	(699,982)	(1,710,966)				(119,438)	(2,530,386)	(511,108)
Cash paid to suppliers and professional contractors	(3,160,137)	(5,053,527)	(208,792)	(349,839)		(227,182)	(8,999,477)	(239,700)
Cash paid for other operating expenses	(50,000)	108,368					58,368	
Interest paid	(161,706)	(382,800)		(185,214)			(729,720)	
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>3,579,904</b>	<b>3,279,207</b>	<b>7,103</b>	<b>171,383</b>	<b>-</b>	<b>226,752</b>	<b>7,264,349</b>	<b>44,199</b>
<b>Cash Flows from Financing Activities:</b>								
Received from NJ Infrastructure Bank		7,708,920					7,708,920	
Issuance Costs Paid		(85,051)					(85,051)	
Principal Payments on Debt	(2,350,000)	(1,051,956)		(133,200)			(3,535,156)	
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(2,350,000)</b>	<b>6,571,913</b>	<b>-</b>	<b>(133,200)</b>	<b>-</b>	<b>-</b>	<b>4,088,713</b>	<b>-</b>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED NOVEMBER 30, 2023

Business-Type Activities  
Enterprise Funds

	Upper Walkkill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Walkkill Watershed Project	Total	Internal Service Fund
<b>Cash Flows from Investing Activities:</b>								
Capital Expenditures	(1,251,481)	(9,146,266)		(37,310)			(10,435,057)	
Proceeds from sale of assets	31,840	103,283					135,123	
Vernon Rate Stabilization Approp.	4,649						4,649	
Renewal and Replacement Approp.	100,000	200,000	50,000	70,000			420,000	
Cell Closure Approp.		400,000					400,000	
Investment Expenses		(113,291)					(113,291)	
Sales (purchases) of investments		(135,340)					(135,340)	(1,625)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(1,114,992)</b>	<b>(8,691,614)</b>	<b>50,000</b>	<b>32,690</b>	<b>-</b>	<b>-</b>	<b>(9,723,916)</b>	<b>(1,625)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>114,912</b>	<b>1,159,506</b>	<b>57,103</b>	<b>70,873</b>	<b>-</b>	<b>226,752</b>	<b>1,629,146</b>	<b>42,574</b>
<b>Cash and Cash Equivalents-Beginning of Year</b>	<b>12,935,454</b>	<b>25,109,587</b>	<b>274,578</b>	<b>691,433</b>	<b>4,646</b>	<b>130,696</b>	<b>39,146,394</b>	<b>537,148</b>
<b>Cash and Cash Equivalents-End of Year</b>	<b>13,050,366</b>	<b>26,269,093</b>	<b>331,681</b>	<b>762,306</b>	<b>4,646</b>	<b>357,448</b>	<b>40,775,540</b>	<b>579,722</b>
<b>Classified As:</b>								
Current Assets	6,420,237	14,074,552	214,080	457,504	4,646	357,448	21,528,467	305,718
Restricted Assets	6,630,129	12,194,541	117,601	304,802	-	-	19,247,073	274,004
	<b>13,050,366</b>	<b>26,269,093</b>	<b>331,681</b>	<b>762,306</b>	<b>4,646</b>	<b>357,448</b>	<b>40,775,540</b>	<b>579,722</b>



SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED NOVEMBER 30, 2023

Business-Type Activities  
Enterprise Funds

	Upper Walkkill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Walkkill Watershed Project	Total	Internal Service Fund
	1,800,969	1,814,419	(25,918)	30,944	-	216,906	3,837,320	8,150
Net Cash Provided by Operating Activities	2,300,633	2,657,415	16,917	337,025			5,311,990	
Adjustments to Reconcile Operating Income/(Loss) to Operating Income	(144,648)	(333,505)					(478,153)	
Depreciation and Amortization	(101,823)	(237,588)					(339,411)	
Pension Adjustment - PERS	61,246	280,151					341,397	
OPEB Adjustment	(161,706)	(382,800)		(185,214)			(729,720)	
Interest Received on Non-Operating Investments	(50,000)	108,368					58,368	
Interest Paid	(167,899)	(214,292)	(14,105)	4,321			(391,975)	
Other Non-Operating Expenses	(9,824)	(35,884)	420	12		(4,369)	(49,645)	
Decrease (Increase) In:	(969)	(2,796)	(25)	(81)		(98)	(3,969)	4,409
Accounts and Accrued Interest Receivable								
Due from Central Services								
Prepaid Expenses								
Increase (Decrease) In:								
Current Liabilities Payable from Unrestricted Assets	64,996	(318,008)	29,814	(15,624)		14,313	(224,509)	31,640
Non-Current Liabilities	(11,071)	(56,273)					(67,344)	
Net Cash Provided by (Used in) Operating Activities	3,579,904	3,279,207	7,103	171,383	-	226,752	7,264,349	44,199

Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities  
Operating Income  
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:  
Depreciation and Amortization  
Pension Adjustment - PERS  
OPEB Adjustment  
Interest Received on Non-Operating Investments  
Interest Paid  
Other Non-Operating Expenses  
Decrease (Increase) In:  
Accounts and Accrued Interest Receivable  
Due from Central Services  
Prepaid Expenses  
Increase (Decrease) In:  
Current Liabilities Payable from Unrestricted Assets  
Non-Current Liabilities

Net Cash Provided by (Used in) Operating Activities

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

UPPER WALLKILL FACILITIES FUND

SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

RESTRICTED AND UNRESTRICTED

FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2023

	Invested in		Restricted			Total
	Unrestricted	Capital Assets	Current Debt Service	Renewal and Replacement	Operations	
<b>Operating Revenue:</b>						
User Charges - Sewer	6,558,500					6,558,500
Treatment of Sludge	40,574					40,574
Treatment of Septage	831,193					831,193
Treatment of Leachate	330,405					330,405
Handled Sewage	4,913					4,913
Operating and Maintenance Charges	193,100					193,100
Connection Fees	286,289					286,289
Other	246,147					246,147
Interest	389,387					389,387
Finance Charges	26,435					26,435
	8,906,943	0	0	0	0	8,906,943
<b>Operating Expenses:</b>						
Cost of Providing Services	3,808,768					3,808,768
Administrative and General Expense	891,924					891,924
Reserves	104,649	2,300,633				104,649
Depreciation						2,300,633
	4,805,341	2,300,633	0	0	0	7,105,974
<b>Operating Income</b>	4,101,602	(2,300,633)	0	0	0	1,800,969

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
UPPER WALLKILL FACILITIES FUND  
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
RESTRICTED AND UNRESTRICTED  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2023

	Restricted			Total
	Unrestricted	Invested in Capital Assets	Current Debt Service	
<b>Non-Operating Revenue:</b>				
Interest			61,246	61,246
Gain on Disposal of Fixed Assets	30,942			30,942
Budget Appropriation - Reserve for Vernon Rate Stabilization	4,649		100,000	104,649
Budget Appropriation - R&R				100,000
<b>Non-Operating Expenses:</b>				
Interest Expense	(486,807)			(486,807)
Accretion		(1,406,393)		(1,406,393)
Renewal and Replacement Expenses		316,334	(316,334)	0
Vernor Rate Stabilization Expenses	(50,000)			(50,000)
Amortization		(58,864)		(58,864)
<b>Net Income/(Loss) Before Contributions and Transfers</b>	3,600,386	(3,449,556)	0	(4,258)
<b>Transfers:</b>				
Bond Principal Payments	(2,350,000)	2,350,000		0
Capital Outlay	(12,632)	12,632		0
Other	(1,318,897)	884,021	204,799	0
<b>Increase (Decrease) in Net Position</b>	(81,143)	(202,903)	204,799	(4,258)
<b>Net Position - December 1,</b>	(1,784,320)	(15,170,538)	1,324,141	(12,649,746)
<b>Net Position - November 30,</b>	(1,865,493)	(15,373,461)	1,528,940	(12,654,004)
Designated	618,791			
Undesignated	(2,484,284)			
	(1,865,493)			

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

UPPER WALLKILL FACILITIES FUND  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN CASH AND INVESTMENTS  
UNRESTRICTED AND RESTRICTED ACCOUNTS  
FOR THE YEAR ENDED NOVEMBER 30, 2023

	Trustee Revenue Account	Revenue Operating Account	Petty Cash	Renewal and Replacement	Vernon Twp. Stabilization Fund	Phase II Construction
<b>Cash, Cash Equivalents and Investments - December 1, 2022</b>	1,488,536	177,967	400	1,531,931	204,703	373,809
<b>Cash Receipts:</b>						
User and Other Charges		7,974,285				14,470
Connection Fees	42,663	286,289		61,246		
Interest				100,000	4,649	3,002
Budget Appropriation		205,607				
Other	8,463,640	6,361,643				1,044,421
Transfers						
<b>Total Cash Receipts</b>	8,506,303	14,827,824		161,246	4,649	1,061,893
<b>Cash and Investments Available</b>	9,994,839	15,005,791	400	1,693,177	209,352	1,435,702
<b>Cash Disbursements:</b>						
Operations		6,361,579				
Bond Interest Payments						
Bond Principal Payments					50,000	
Other	8,281,469	8,463,640		316,334		1,113,221
Transfers						
<b>Total Cash Disbursements</b>	8,281,469	14,825,219		316,334	50,000	1,113,221
<b>Cash, Cash Equivalents and Investments - November 30, 2023</b>	1,713,370	180,572	400	1,376,843	159,352	322,481
<b>Analysis of Balance:</b>						
Unrestricted	34,203	180,572	400		159,352	
Restricted	1,679,167			1,376,843		322,481
<b>Cash and Cash Equivalents Investments</b>	1,713,370	180,572	400	1,376,843	159,352	322,481
	1,713,370	180,572	400	1,376,843	159,352	322,481
<b>Analysis of Restricted Accounts: Operations</b>	1,679,167					
	1,679,167					

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

UPPER WALLKILL FACILITIES FUND  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN CASH AND INVESTMENTS  
UNRESTRICTED AND RESTRICTED ACCOUNTS  
FOR THE YEAR ENDED NOVEMBER 30, 2023

	Debt Service	Future Debt Service	Phase III Construction	General	Retainage	Total
<b>Cash, Cash Equivalents and Investments - December 1, 2022</b>	2,433,403	1	260,521	6,450,101	14,082	12,935,454
<b>Cash Receipts:</b>						
User and Other Charges						7,974,285
Connection Fees						286,289
Interest	67,860			264,394		450,633
Budget Appropriation						100,000
Other					13,732	226,990
Transfers	3,033,047					18,902,751
<b>Total Cash Receipts</b>	3,100,907	-	-	264,394	13,732	27,940,948
<b>Cash and Investments Available</b>	5,534,310	1	260,521	6,714,495	27,814	40,876,402
<b>Cash Disbursements:</b>						
Operations						6,361,579
Bond Interest Payments	161,706					161,706
Bond Principal Payments	2,350,000					2,350,000
Other						50,000
Transfers				728,087		18,902,751
<b>Total Cash Disbursements</b>	2,511,706	-	-	728,087	-	27,826,036
<b>Cash, Cash Equivalents and Investments - November 30, 2023</b>	3,022,604	1	260,521	5,986,408	27,814	13,050,366
<b>Analysis of Balance:</b>						
Unrestricted	59,301	1	-	5,986,408	-	6,420,237
Restricted	2,963,303	-	260,521	-	27,814	6,630,129
	3,022,604	1	260,521	5,986,408	27,814	13,050,366
<b>Cash and Cash Equivalents Investments</b>	3,022,604	1	260,521	5,986,408	27,814	13,050,366
	3,022,604	1	260,521	5,986,408	27,814	13,050,366

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**

**UPPER WALKILL FACILITIES FUND  
SCHEDULE OF OPERATING REVENUES AND COST  
FUNDED BY OPERATING REVENUES COMPARED TO  
BUDGET YEAR ENDED NOVEMBER 30, 2023**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2022**

	<u>FY 2023 Budget</u>	<u>FY 2023 Budget After Modifications</u>	<u>FY 2023 Actual</u>	<u>FY 2022 Actual</u>
<b>Revenues:</b>				
Net Position Utilized	500,000	500,000	500,000	300,000
User Charges - Sewer	6,558,500	6,558,500	6,558,500	5,521,500
Treatment of Sludge	75,000	75,000	40,574	68,028
Treatment of Septage	990,000	990,000	831,193	1,013,299
Treatment of Leachate	350,000	350,000	330,405	246,047
Hauled Sewage	7,500	7,500	4,913	
Connection Fees	210,000	210,000	286,289	1,211,844
Operating and Maintenance Charges to Municipalities	206,000	206,000	193,100	184,800
Other	4,000	4,000	246,147	131,626
Interest Income from Operating Investments	25,000	25,000	389,387	63,836
Finance Charges	12,000	12,000	26,435	10,295
<b>Total Operating Revenue</b>	<u>8,938,000</u>	<u>8,938,000</u>	<u>9,406,943</u>	<u>8,751,275</u>
<b>Expenses:</b>				
<b>Cost of Providing Services:</b>				
(1) Salaries, Operating Staff	1,315,300	1,315,300	1,148,561	1,072,243
(2) Fringe Benefits, Operating Staff	637,500	637,500	541,414	472,634
(2) PERS	169,000	169,000	158,568	146,529
(3) Utilities	490,000	490,000	590,437	496,017
(4) Motor Vehicles & Equipment	13,500	13,500	10,251	10,318
(5) Stationary Equipment	48,000	48,000	46,000	18,441
(6) Electrical Equipment/Repair	17,000	17,000	14,486	12,258
(7) Insurance, Plant Operations	251,500	251,500	249,845	239,055
(8) Testing Services	14,000	14,000	7,750	8,110
(10) Outside Services	1,435,000	1,435,000	1,080,960	1,063,926
(11) Safety Equipment	6,000	6,000	10,502	3,897
(12) Chemicals	119,000	119,000	101,092	90,201
(13) Miscellaneous Plant Supplies	15,000	15,000	7,982	12,089
(14) Taxes and Fees	60,000	60,000	56,879	54,999
(15) Laboratory Supplies	15,000	15,000	10,148	13,660
(16) Custodial Supplies	4,000	4,000	3,764	2,624
(17) Purchases Related to Operating and Maintenance Services	12,000	12,000	16,600	14,405
<b>Subtotal Cost of Providing Services</b>	<u>4,621,800</u>	<u>4,621,800</u>	<u>4,055,239</u>	<u>3,731,406</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**

**UPPER WALKKILL FACILITIES FUND  
SCHEDULE OF OPERATING REVENUES AND COST  
FUNDED BY OPERATING REVENUES COMPARED TO  
BUDGET YEAR ENDED NOVEMBER 30, 2023**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2022**

	<u>FY 2023 Budget</u>	<u>FY 2023 Budget After Modifications</u>	<u>FY 2023 Actual</u>	<u>FY 2022 Actual</u>
<b>Administrative Expenses:</b>				
Seminars and Dues	12,000	12,000	14,781	6,753
Indirect Administrative Expenses	799,800	799,800	791,278	638,795
Engineering Consulting Fees	46,000	46,000	11,348	49,135
Trustee Fees	7,000	7,000	6,000	6,000
Auditing/Accounting Fees	500	500		
General Legal Fees	35,000	35,000	60,685	59,842
Office Supplies	2,300	2,300	2,247	1,550
Printing	200	200	209	
Travel & Expenses, Administrative Staff	500	500	36	
General Advertising	700	700	320	66
Personal Services	5,500	5,500	5,020	3,867
<b>Subtotal Administrative Expenses</b>	<u>909,500</u>	<u>909,500</u>	<u>891,924</u>	<u>766,008</u>
<b>Capital Outlay</b>	<u>250,000</u>	<u>250,000</u>	<u>12,632</u>	<u>141,774</u>
<b>Reserves:</b>				
Renewal and Replacement	100,000	100,000	100,000	90,000
Vernon Rate Stabilization	15,000	15,000	4,649	4,499
<b>Subtotal Reserves</b>	<u>115,000</u>	<u>115,000</u>	<u>104,649</u>	<u>94,499</u>
<b>Debt Service:</b>				
Interest Expense	1,512,700	1,512,700	486,807 <sup>(1)</sup>	230,907
Bond Principal	1,529,000	1,529,000	1,529,000	1,324,200
<b>Subtotal Debt Service</b>	<u>3,041,700</u>	<u>3,041,700</u>	<u>2,015,807</u>	<u>1,555,107</u>
<b>Total Costs Funded by Operating Revenues</b>	<u>8,938,000</u>	<u>8,938,000</u>	<u>7,080,251</u>	<u>6,288,794</u>

(1) Does not include accreted interest on capital appreciation bonds.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**UPPER WALKILL FACILITIES FUND**  
**SCHEDULE OF OPERATING REVENUES AND COST**  
**FUNDED BY OPERATING REVENUES COMPARED TO**  
**BUDGET YEAR ENDED NOVEMBER 30, 2023**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2022**

	<u>FY 2023</u> <u>Budget</u>	<u>FY 2023</u> <u>Budget After</u> <u>Modifications</u>	<u>FY 2023</u> <u>Actual</u>	<u>FY 2022</u> <u>Actual</u>
<b>Excess or (Deficit) in Actual Revenues and Expenses</b>			2,326,692	2,462,481
<b>Reconciliation of Budgetary Basis To</b>				
<b>Change in Net Position:</b>				
Depreciation			(2,300,633)	(2,453,003)
Amortization of:				
Deferred Gains/Losses on Early Extinguishment of Debt			(80,566)	(80,566)
Bond Premiums			21,702	21,702
Net Position Utilized			(500,000)	(300,000)
Gain on Disposal of Capital Assets			30,942	
Accreted Interest - Capital Appreciation Bonds			(1,406,393)	(1,437,172)
Adjustment for Pension Expense			144,648	257,241
Adjustment for OPEB Expense			101,823	897
Interest on Non-Operating Investments			61,246	7,263
Other Non-Operating Revenues			100,000	90,000
Other Non-Operating Expenses			(50,000)	(60,000)
Capital Outlay			12,632	141,774
Vernon Rate Stabilization			4,649	4,499
Bond Principal Payments			1,529,000	1,324,200
			<u>(2,330,950)</u>	<u>(2,483,165)</u>
<b>Change in Net Position</b>			<u>(4,258)</u>	<u>(20,684)</u>



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**UPPER WALLKILL FACILITIES FUND**  
**SCHEDULE OF REVENUE BONDS PAYABLE**  
**NOVEMBER 30, 2023**

<u>Description</u>	<u>Original Issue</u>		<u>Maturities</u>			<u>Balance</u> <u>Dec. 1, 2022</u>	<u>Issued</u> <u>2022-2023</u>	<u>Accreted</u> <u>Principal</u>	<u>Paid or</u> <u>Refunded</u> <u>2022-2023</u>	<u>Balance</u> <u>Nov. 30, 2023</u>	
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Rate</u>	<u>Amount</u>						
2008 Wastewater Revenue Bonds (Series B)	09/15/08	23,403,738	12/01/23	4.850%	2,620,000						
			12/01/24	4.910%	2,495,943						
			12/01/25	4.970%	2,374,978						
			12/01/26	5.030%	2,257,235						
			12/01/27	5.090%	2,142,793						
			12/01/28	5.150%	2,031,810						
			12/01/29	5.200%	1,925,438						
			12/01/30	5.260%	1,821,607						
			12/01/31	5.310%	1,722,729						
			12/01/32	5.360%	1,748,762						
			12/01/33	5.390%	1,650,875						
			12/01/34	5.410%	1,562,023						
						25,246,154			1,203,039	2,095,000	24,354,193
	2012 Wastewater Revenue Refunding Bonds	07/11/12	3,165,000	12/01/23	3.125%	140,000					
			12/01/24	3.125%	145,000						
			12/01/25	3.125%	150,000						
			12/01/26	3.375%	155,000						
			12/01/27	3.375%	160,000						
			12/01/28	3.375%	165,000						
			12/01/29	3.625%	170,000						
			12/01/30	3.625%	175,000						
			12/01/31	3.625%	185,000						
						1,580,000			135,000		1,445,000

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

UPPER WALLKILL FACILITIES FUND  
SCHEDULE OF REVENUE BONDS PAYABLE  
NOVEMBER 30, 2023

Description	Original Issue		Maturities Interest			Balance Dec. 1, 2022	Issued 2022-2023	Accreted Principal	Paid or Refunded 2022-2023	Balance Nov. 30, 2023
	Date	Amount	Date	Rate	Amount					
Wastewater Revenue Refunding Bonds - Series 2016A	05/11/16	3,390,000	12/01/23	4.000%	125,000					
			12/01/24	4.000%	125,000					
			12/01/25	4.000%	130,000					
			12/01/26	4.000%	140,000					
			12/01/27	4.000%	145,000					
			12/01/28	4.000%	150,000					
			12/01/29	4.000%	155,000					
			12/01/30	4.000%	165,000					
			12/01/31	4.000%	170,000					
			12/01/32	4.000%	175,000					
			12/01/33	4.000%	180,000					
			12/01/34	4.000%	190,000					
			12/01/35	4.000%	195,000					
			12/01/36	3.000%	205,000					
		12/01/37	3.000%	210,000						
		12/01/38	3.000%	220,000						
		12/01/39	3.000%	225,000						
					3,025,000				120,000	2,905,000
Wastewater Revenue Refunding Bonds - Series 2016B	05/11/16	4,975,058	12/01/35	3.190%	1,371,440					
			12/01/36	3.250%	1,318,548					
			12/01/37	3.000%	1,267,962					
			12/01/38	3.300%	1,215,614					
			12/01/39	3.360%	1,173,520			203,354		6,347,084
						6,143,730				
					35,994,884			2,350,000		35,051,277
			Current Portion		2,350,000					2,885,000
			Long-Term Portion		33,644,884					32,166,277
					35,994,884					35,051,277

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

HAMPTON COMMONS FACILITIES FUND  
SCHEDULE OF REVENUE, EXPENSES AND  
CHANGES IN NET POSITION  
RESTRICTED AND UNRESTRICTED  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2023

	<u>Unrestricted</u>	<u>Invested in Capital Assets</u>	<u>Restricted Renewal and Replacement</u>	<u>Total</u>
<b>Operating Revenue:</b>				
Sewer Charges	230,000			230,000
	<u>230,000</u>	-	-	<u>230,000</u>
<b>Operating Expenses:</b>				
Operating, Maintenance and Reserves	239,001			239,001
Depreciation		16,917		16,917
	<u>239,001</u>	<u>16,917</u>	-	<u>255,918</u>
<b>Operating Income</b>	(9,001)	(16,917)	-	(25,918)
<b>Non-Operating Revenue/(Expenses):</b>				
Budget Appropriation			50,000	50,000
<b>Increase (Decrease) in Net Position</b>	(9,001)	(16,917)	50,000	24,082
<b>Net Position - December 1,</b>	<u>208,972</u>	<u>148,849</u>	<u>67,601</u>	<u>425,422</u>
<b>Net Position - November 30,</b>	<u>199,971</u>	<u>131,932</u>	<u>117,601</u>	<u>449,504</u>
Designated	36,150			
Undesignated	<u>163,821</u>			
	<u>199,971</u>			

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**

**HAMPTON COMMONS FACILITIES FUND**  
**SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS**  
**AND CHANGES IN CASH AND INVESTMENTS**  
**UNRESTRICTED AND RESTRICTED ACCOUNTS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2023**

	Revenue Operating Account	Renewal and Replacement Account	Total
<b>Cash, Cash Equivalents and Investments- December 1, 2022</b>	206,977	67,601	274,578
<b>Cash Receipts:</b>			
Sewer Charges	238,526		238,526
Other	2,157		2,157
Budget Appropriation		50,000	50,000
<b>Total Cash Receipts</b>	<u>240,683</u>	<u>50,000</u>	<u>290,683</u>
<b>Total Cash And Investments Available</b>	<u>447,660</u>	<u>117,601</u>	<u>565,261</u>
<b>Cash Disbursements:</b>			
Operating and Maintenance Costs	<u>233,580</u>		<u>233,580</u>
<b>Total Cash Disbursements</b>	<u>233,580</u>	<u>-</u>	<u>233,580</u>
<b>Cash, Cash Equivalents and Investments- November 30, 2023</b>	<u>214,080</u>	<u>117,601</u>	<u>331,681</u>
<b>Analysis of Balance:</b>			
Unrestricted	214,080	-	214,080
Restricted	-	117,601	117,601
	<u>214,080</u>	<u>117,601</u>	<u>331,681</u>
Cash and Cash Equivalents	214,080	117,601	331,681
Investments	-	-	-
	<u>214,080</u>	<u>117,601</u>	<u>331,681</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

HAMPTON COMMONS FACILITIES FUND  
SCHEDULE OF OPERATING REVENUES AND  
COSTS FUNDED BY OPERATING REVENUES  
COMPARED TO BUDGET, YEAR ENDED NOVEMBER 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED NOVEMBER 30, 2022

	FY 2023 Budget	FY 2023 Budget After Modification	FY 2023 Actual	FY 2022 Actual
<b>Revenue:</b>				
Net Position Utilized	35,000	35,000	35,000	20,000
Service Agreements (Hampton Commons Homeowners Association)	188,718	188,718	188,718	155,897
(Lowe's)	41,282	41,282	41,282	34,103
Interest on Investments and Deposits	1,000	1,000		
<b>Total Operating Revenue</b>	<u>266,000</u>	<u>266,000</u>	<u>265,000</u>	<u>210,000</u>
<b>Expenses:</b>				
<b>Operating and Maintenance</b>				
(1) Payment to Upper Walkkill for Operating and Maintenance Services	56,000	56,000	56,000	53,600
(2) Utilities	21,500	18,500	16,948	16,474
(3) Outside Services	17,000	14,000	9,425	7,588
(4) Testing Services	7,000	7,000	6,110	5,600
(5) Engineering Fees	32,000	41,600	39,600	53
(6) Legal Fees	5,000	1,400		1,594
(7) Plant Supplies	800	800	276	228
(8) Chemicals	5,500	5,500	2,813	2,738
(9) Electrical and Mechanical Equipment Repair	800	800		35
(10) Equipment/Stationary	10,000	10,000	1,189	6,021
(11) Laboratory Supplies	3,300	3,300	925	1,393
(12) Insurance	3,000	3,000	2,967	2,673
(13) Safety Equipment	600	600	359	
(14) Taxes and Fees	5,000	5,000	5,826	1,528
(15) Printing Expenses	200	200		130
(16) Indirect Administration, Legal and Fiscal Expenses	48,300	48,300	46,563	48,843
<b>Total Operating and Maintenance Expenses</b>	<u>216,000</u>	<u>216,000</u>	<u>189,001</u>	<u>148,498</u>
<b>Renewal and Replacement</b>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>39,000</u>
	<u>266,000</u>	<u>266,000</u>	<u>239,001</u>	<u>187,498</u>
<b>Excess or (Deficit) in Actual Revenues and Expenses</b>			25,999	22,502
<b>Reconciliation of Budgetary Basis To Change in Net Position:</b>				
Net Position Utilized			(35,000)	(20,000)
Depreciation			(16,917)	(16,681)
Renewal and Replacement (Net)			50,000	39,000
			<u>(1,917)</u>	<u>2,319</u>
<b>Change in Net Position</b>			<u>24,082</u>	<u>24,821</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND  
 SCHEDULE OF REVENUE, EXPENSES AND  
 CHANGES IN NET POSITION  
 RESTRICTED AND UNRESTRICTED  
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2023

	Unrestricted		Restricted			Total
	Invested in Capital Assets	Current Debt Service	Renewal and Replacement	Operations	Landfill Cell Closure/ Postclosure	
<b>Operating Revenue:</b>						
Tipping Fees	11,609,206					11,609,206
Recycle Markets	205,693					205,693
Operating Grant	162,000					162,000
Interest from Users	2,426					2,426
Landfill Gas Sales	174,345					174,345
Interest on Operating Investments	688,522					688,522
Miscellaneous	58,245					58,245
	<u>12,900,437</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,900,437</u>
<b>Operating Expenses:</b>						
Administration, Operations, Maintenance and Reserves	8,428,603					8,428,603
Depreciation		2,637,415				2,637,415
	<u>8,428,603</u>	<u>2,637,415</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,086,018</u>
<b>Operating Income</b>	<u>4,471,834</u>	<u>(2,637,415)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,814,419</u>
<b>Non-Operating Revenues / (Expenses):</b>						
Interest Income			98,236		181,915	280,151
Budget Appropriation			200,000		400,000	600,000
Investment Expenses	(79,876)				(33,415)	(113,291)
Gain on Disposal of Equipment	42,326					42,326
Interest Expense	(426,865)					(426,865)
Lease Interest	(16,451)					(16,451)
Cell Closure Expenditures (Net)		80,690			(5,507,015)	(5,426,325)
Postclosure Expenditures (Net)		1,535,043			676,091	676,091
Renewal & Replacement Expenditures			(1,535,043)			0
Debt Issuance Costs	(137,309)					(137,309)
Amortization		65,379				65,379
	<u>3,853,639</u>	<u>(976,303)</u>	<u>0</u>	<u>(1,236,807)</u>	<u>0</u>	<u>(2,641,875)</u>
<b>Income or (Loss) Before Transfers</b>						
Transfers:						
Capital Outlay						0
Bond Principal Payments	(1,056,956)					0
Other	(566,900)					0
	<u>2,229,803</u>	<u>196,173</u>	<u>230,055</u>	<u>221,325</u>	<u>(4,282,424)</u>	<u>(2,641,875)</u>
<b>Increase/(Decrease) in Net Position</b>	<u>(6,222,379)</u>	<u>12,752,898</u>	<u>40,345</u>	<u>2,462,275</u>	<u>(3,695,119)</u>	<u>7,681,982</u>
<b>Net Position - December 1,</b>	<u>(3,992,576)</u>	<u>12,949,071</u>	<u>270,400</u>	<u>2,683,600</u>	<u>(7,977,543)</u>	<u>5,040,107</u>
<b>Net Position - November 30,</b>	<u>1,000,000</u>					
Designated	(4,992,576)					
Undesignated	(3,992,576)					

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN CASH AND INVESTMENTS  
UNRESTRICTED AND RESTRICTED ACCOUNTS  
FOR THE YEAR ENDED NOVEMBER 30, 2023

	Trustee Revenue Account	Revenue Operating Account	Petty Cash	General Fund
<b>Cash, Cash Equivalents and Investments - December 1, 2022</b>	1,162,813	732,883	2,350	13,641,229
<b>Cash Receipts:</b>				
Solid Waste Revenues		11,670,923		
Interest on Investments	22,206			611,524
Recycling Grant		162,000		
Budget Appropriation				
Landfill Gas Purchase		174,345		
NJ Infrastructure Trust				
Other		329,619		
Transfers	12,238,441	10,770,445	250	
<b>Total Cash Receipts</b>	<u>12,260,647</u>	<u>23,107,332</u>	<u>250</u>	<u>611,524</u>
<b>Cash and Investments Available</b>	<u>13,423,460</u>	<u>23,840,215</u>	<u>2,600</u>	<u>14,252,753</u>
<b>Cash Disbursements:</b>				
Operations		9,842,832		
Project Expenses				
Principal Payments	95,563			
Interest Payments	135,048			
Other	91,169	72,187		
Transfers	12,251,481	12,238,691		
<b>Total Cash Disbursements</b>	<u>12,573,261</u>	<u>22,153,710</u>	<u>-</u>	<u>-</u>
<b>Cash, Cash Equivalents and Investments - November 30, 2023</b>	<u>850,199</u>	<u>1,686,505</u>	<u>2,600</u>	<u>14,252,753</u>
<b>Analysis of Balance:</b>				
Unrestricted	816,294	1,686,505	2,600	11,569,153
Restricted	33,905	-	-	2,683,600
	<u>850,199</u>	<u>1,686,505</u>	<u>2,600</u>	<u>14,252,753</u>
Cash and Cash Equivalents	850,199	1,686,505	2,600	14,252,753
Investments	-	-	-	-
	<u>850,199</u>	<u>1,686,505</u>	<u>2,600</u>	<u>14,252,753</u>
<b>Analysis of Restricted Accounts:</b>				
Operations	-			2,683,600
Cell Closure	33,905			-
	<u>33,905</u>			<u>2,683,600</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
SOLID WASTE FACILITIES FUND  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN CASH AND INVESTMENTS  
UNRESTRICTED AND RESTRICTED ACCOUNTS  
FOR THE YEAR ENDED NOVEMBER 30, 2023

	<u>Construction</u>	<u>Renewal and Replacement</u>	<u>Debt Service Fund</u>	<u>Retained Percentages</u>
<b>Cash, Cash Equivalents and Investments - December 1, 2022</b>	3,429,077	2,343,962	146,362	482,743
<b>Cash Receipts:</b>				
Solid Waste Revenues				
Interest on Investments	51,594	98,236	3,198	
Recycling Grant				
Budget Appropriation		200,000		
Landfill Gas Purchase				
NJ Infrastructure Trust	7,708,920			
Other				136,539
Transfers	1,535,043		1,481,036	
<b>Total Cash Receipts</b>	<u>9,295,557</u>	<u>298,236</u>	<u>1,484,234</u>	<u>136,539</u>
<b>Cash and Investments Available</b>	<u>12,724,634</u>	<u>2,642,198</u>	<u>1,630,596</u>	<u>619,282</u>
<b>Cash Disbursements:</b>				
Operations				
Project Expenses	9,019,974			
Principal Payments			956,393	
Interest Payments			231,300	
Other			5,970	
Transfers		1,535,043		
<b>Total Cash Disbursements</b>	<u>9,019,974</u>	<u>1,535,043</u>	<u>1,193,663</u>	<u>-</u>
<b>Cash, Cash Equivalents and Investments - November 30, 2023</b>	<u>3,704,660</u>	<u>1,107,155</u>	<u>436,933</u>	<u>619,282</u>
<b>Analysis of Balance:</b>				
Unrestricted	-	-	-	-
Restricted	3,704,660	1,107,155	436,933	619,282
	<u>3,704,660</u>	<u>1,107,155</u>	<u>436,933</u>	<u>619,282</u>
Cash and Cash Equivalents	3,704,660	1,107,155	436,933	619,282
Investments	-	-	-	-
	<u>3,704,660</u>	<u>1,107,155</u>	<u>436,933</u>	<u>619,282</u>



SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN CASH AND INVESTMENTS  
UNRESTRICTED AND RESTRICTED ACCOUNTS  
FOR THE YEAR ENDED NOVEMBER 30, 2023

	Cell Closure Account	Landfill Postclosure Account	Total
<b>Cash, Cash Equivalents and Investments - December 1, 2022</b>	3,115,322	11,906,081	36,962,822
<b>Cash Receipts:</b>			
Solid Waste Revenues			11,670,923
Interest on Investments		181,915	968,673
Recycling Grant			162,000
Budget Appropriation	400,000		600,000
Landfill Gas Purchase			174,345
NJ Infrastructure Trust			7,708,920
Other	3,848	107,530	577,536
Transfers			26,025,215
<b>Total Cash Receipts</b>	<u>403,848</u>	<u>289,445</u>	<u>47,887,612</u>
<b>Cash and Investments Available</b>	<u>3,519,170</u>	<u>12,195,526</u>	<u>84,850,434</u>
<b>Cash Disbursements:</b>			
Operations			9,842,832
Project Expenses			9,019,974
Principal Payments			1,051,956
Interest Payments			366,348
Other	83,700	33,415	286,441
Transfers			26,025,215
<b>Total Cash Disbursements</b>	<u>83,700</u>	<u>33,415</u>	<u>46,592,766</u>
<b>Cash, Cash Equivalents and Investments - November 30, 2023</b>	<u>3,435,470</u>	<u>12,162,111</u>	<u>38,257,668</u>
<b>Analysis of Balance:</b>			
Unrestricted	-	-	14,074,552
Restricted	<u>3,435,470</u>	<u>12,162,111</u>	<u>24,183,116</u>
	<u>3,435,470</u>	<u>12,162,111</u>	<u>38,257,668</u>
Cash and Cash Equivalents	3,435,470	173,536	26,269,093
Investments	-	11,988,575	11,988,575
	<u>3,435,470</u>	<u>12,162,111</u>	<u>38,257,668</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITYSOLID WASTE FACILITIES FUNDSCHEDULE OF OPERATING REVENUESCOMPARED TO BUDGET, YEAR ENDED NOVEMBER 30, 2023WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2022

	<u>FY 2023</u>	<u>FY 2023</u>	<u>FY 2023</u>	<u>FY 2022</u>
	<u>Budget</u>	<u>Budget after</u>	<u>Actual</u>	<u>Actual</u>
		<u>Modifications</u>		
<b>Revenue:</b>				
Net Position Appropriated	450,000	450,000	450,000	
Tipping Fees	10,735,000	10,735,000	11,609,206	11,872,922
Gross Sales on Recycle Markets	245,000	245,000	205,693	287,317
Interest on Investment and Deposits	70,000	70,000	688,522	104,719
Interest from Users			2,426	2,234
Operating Grant	162,000	162,000	162,000	162,000
Landfill Gas Sales	120,000	120,000	174,345	176,420
Miscellaneous			58,245	14,092
<b>Total Revenue</b>	<b>11,782,000</b>	<b>11,782,000</b>	<b>13,350,437</b>	<b>12,619,704</b>
<b>Expenses:</b>				
<b>Operating and Maintenance (LF)</b>				
(1) Salaries	2,940,000	2,940,000	2,648,164	2,581,023
(2) Benefits	1,522,500	1,522,500	1,379,254	1,112,810
(2) PERS	377,000	332,000	331,712	327,785
(3) Personnel Services	29,500	29,500	33,443	31,508
(4) Engineering and Consulting	108,000	108,000	98,844	82,599
(5) Legal Fees	20,000	54,500	39,013	8,816
(6) Indirect Administrative	799,800	799,800	791,278	638,795
(7) Trustee and Banking Fees	12,500	12,500	19,588	12,570
(8) Insurance	253,500	253,500	262,774	238,476
(9) Auditing/Accounting Fees	2,000	2,000	6,673	3,500
(10) Seminars and Dues	12,500	12,500	11,687	12,002
(11) Travel and Expenses	3,500	3,500	2,700	2,377
(12) Office Supplies	11,000	11,000	14,401	10,642
(14) Advertising	4,500	4,500	2,894	1,821
(15) Printing	5,000	5,000	1,484	1,280
(16) Postage	200	200	11	
(17) Publications and Subscriptions	1,000	1,000	779	680
(18) Custodial Supplies	10,000	10,000	11,581	11,286
(19) Safety Equipment	15,500	15,500	15,035	14,511
(20) Chemicals/Supplies	78,600	78,600	41,899	86,079
(21) Plant Supplies	34,000	34,000	24,232	30,434
(22) Testing Services	95,000	90,000	88,296	88,756
(23) Outside Services	203,000	203,000	185,156	155,174
(24) Utilities	517,000	472,000	372,606	488,878
(25) Motor Vehicles and Equipment	583,000	583,000	264,794	223,473
(26) Equipment/Stationary	28,000	28,000	29,050	23,603
(27) Electrical Equipment/Repairs	42,000	42,000	37,917	36,968
(28) Leachate Disposal	350,000	350,000	330,405	246,046
(29) Recycling Services	74,000	74,000	135,671	80,429
(30) Landfill Gas System	68,000	68,000	66,033	52,583
(31) Host Community Benefit Payments	550,000	550,000	526,257	556,674
(32) Special Accounts	110,000	110,000	107,602	113,541
(33) Taxes and Fees	558,000	558,000	518,463	495,187
Other Expenses				7,008
	<b>9,418,600</b>	<b>9,358,100</b>	<b>8,399,696</b>	<b>7,777,314</b>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**

**SOLID WASTE FACILITIES FUND  
SCHEDULE OF OPERATING REVENUES  
COMPARED TO BUDGET, YEAR ENDED NOVEMBER 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2022**

	<u>FY 2023 Budget</u>	<u>FY 2023 Budget after Modifications</u>	<u>FY 2023 Actual</u>	<u>FY 2022 Actual</u>
<b>Capital Outlay</b>	<u>130,000</u>	<u>225,000</u>	<u>23,126</u>	
<b>Debt Service:</b>				
Bond Principal	<u>1,453,500</u>	<u>1,325,000</u>	<u>1,325,000</u>	<u>963,500</u>
Interest on Bonds	<u>279,900</u>	<u>273,900</u>	<u>426,865</u>	<u>234,614</u>
	<u>1,733,400</u>	<u>1,598,900</u>	<u>1,751,865</u>	<u>1,198,114</u>
<b>Reserves:</b>				
Renewal and Replacement	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>650,000</u>
Cell Closure	<u>300,000</u>	<u>400,000</u>	<u>400,000</u>	<u>500,000</u>
	<u>500,000</u>	<u>600,000</u>	<u>600,000</u>	<u>1,150,000</u>
<b>Total Solid Waste Appropriations</b>	<u>11,782,000</u>	<u>11,782,000</u>	<u>10,774,687</u>	<u>10,125,428</u>
<b>Excess or Deficit in Actual Revenues and Expenses</b>			<u>2,575,750</u>	<u>2,494,276</u>
<b>Reconciliation of Budgetary Basis To Change in Net Position:</b>				
Depreciation Expense			(2,657,415)	(2,100,973)
Amortization			65,379	49,196
Net Position Appropriated			(450,000)	
Debt Issuance Costs			(137,309)	(12,132)
Gain on Disposal of Equipment			42,326	80,200
Lease Interest			(16,451)	
Adjustment to Pension Expense			333,505	619,210
Adjustment to OPEB Expense			237,588	2,092
Interest on Non-Operating Investments			280,151	215,388
Investment Expenses			(113,291)	(112,024)
Net Closure/Postclosure Care Expenses			(4,750,234)	662,022
Capital Outlay			23,126	
Budget Appropriation - Renewal & Replacement			200,000	650,000
Budget Appropriation - Cell Closure			400,000	500,000
Bond Principal Payments			<u>1,325,000</u>	<u>963,500</u>
<b>Change in Net Position</b>			<u>(2,641,875)</u>	<u>4,010,755</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND  
SCHEDULE OF BONDS AND LOANS PAYABLE  
NOVEMBER 30, 2023

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2022	Issued	Refunded or Paid	Balance Nov. 30, 2023
	Date	Amount							
New Jersey Environmental Infrastructure Trust - Trust Loan Series 2018A-1	05/22/18	\$ 1,990,000	08/01/24	5.000%	230,000				
			08/01/25	5.000%	240,000				
			08/01/26	5.000%	255,000				
			08/01/27	5.000%	265,000	1,210,000		220,000	990,000
New Jersey Environmental Infrastructure Trust - Fund Loan Series 2018A-1	05/22/18	\$ 6,538,469	02/01/24	0.000%	225,465				
			08/01/24	0.000%	450,929				
			02/01/25	0.000%	225,464				
			08/01/25	0.000%	450,929				
			02/01/26	0.000%	225,464				
			08/01/26	0.000%	450,929				
		02/01/27	0.000%	225,464	3,070,839		676,393	2,394,446	
		08/01/27	0.000%	139,802					

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND  
SCHEDULE OF BONDS AND LOANS PAYABLE  
NOVEMBER 30, 2023

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2022	Issued	Refunded or Paid	Balance Nov. 30, 2023
	Date	Amount							
New Jersey Environmental Infrastructure Trust - Trust Loan Series 2022A-2	12/22/22	\$ 3,905,000	08/01/24	5.000%	65,000				
			08/01/25	5.000%	65,000				
			08/01/26	5.000%	70,000				
			08/01/27	5.000%	75,000				
			08/01/28	5.000%	75,000				
			08/01/29	5.000%	80,000				
			08/01/30	5.000%	85,000				
			08/01/31	5.000%	90,000				
			08/01/32	5.000%	95,000				
			08/01/33	5.000%	95,000				
			08/01/34	5.000%	100,000				
			08/01/35	5.000%	105,000				
			08/01/36	5.000%	110,000				
			08/01/37	5.000%	120,000				
			08/01/38	5.000%	125,000				
			08/01/39	5.000%	130,000				
			08/01/40	5.000%	135,000				
			08/01/41	5.000%	145,000				
			08/01/42	5.000%	150,000				
			08/01/43	5.000%	160,000				
		08/01/44	5.000%	165,000					
		08/01/45	5.000%	175,000					
		08/01/46	5.000%	185,000					
		08/01/47	5.000%	190,000					
		08/01/48	5.000%	200,000					
		08/01/49	5.000%	210,000					
		08/01/50	5.000%	225,000					
		08/01/51	5.000%	235,000					
		08/01/52	5.000%	245,000					
							3,905,000		3,905,000

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND  
SCHEDULE OF BONDS AND LOANS PAYABLE  
NOVEMBER 30, 2023

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2022	Issued	Refunded or Paid	Balance Nov. 30, 2023
	Date	Amount							
New Jersey Environmental Infrastructure Trust - Fund Loan Series 2022A-2		\$ 4,252,548	12/22/22	0.000%	47,781				
				0.000%	95,563				
				0.000%	47,782				
				0.000%	95,563				
				0.000%	47,781				
				0.000%	95,563				
				0.000%	47,782				
				0.000%	95,563				
				0.000%	47,781				
				0.000%	95,563				
				0.000%	47,782				
				0.000%	95,563				
				0.000%	47,781				
				0.000%	95,563				
				0.000%	47,782				
				0.000%	95,563				

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND  
SCHEDULE OF BONDS AND LOANS PAYABLE  
NOVEMBER 30, 2023

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2022	Issued	Refunded or Paid	Balance Nov. 30, 2023
	Date	Amount							
New Jersey Environmental Infrastructure Trust - Fund Loan Series 2022A-2 (continued)	12/22/22	\$ 4,252,548	02/01/40	0.000%	47,781				
			08/01/40	0.000%	95,563				
			02/01/41	0.000%	47,782				
			08/01/41	0.000%	95,563				
			02/01/42	0.000%	47,781				
			08/01/42	0.000%	95,563				
			02/01/43	0.000%	47,781				
			08/01/43	0.000%	95,563				
			02/01/44	0.000%	47,781				
			08/01/44	0.000%	95,563				
			02/01/45	0.000%	47,781				
			08/01/45	0.000%	95,563				
			02/01/46	0.000%	47,781				
			08/01/46	0.000%	95,563				
			02/01/47	0.000%	47,781				
			08/01/47	0.000%	95,563				
		02/01/48	0.000%	47,781					
		08/01/48	0.000%	95,563					
		02/01/49	0.000%	47,781					
		08/01/49	0.000%	95,563					
		02/01/50	0.000%	47,781					
		08/01/50	0.000%	95,563					
		02/01/51	0.000%	47,781					
		08/01/51	0.000%	95,563					
		02/01/52	0.000%	47,781					
		08/01/52	0.000%	95,563					
							4,252,548	95,563	4,156,985

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**SOLID WASTE FACILITIES FUND**  
**SCHEDULE OF BONDS AND LOANS PAYABLE**  
**NOVEMBER 30, 2023**

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2022	Issued	Refunded or Paid	Balance Nov. 30, 2023
	Date	Amount							
Solid Waste Revenue Bonds Series 2021	08/17/21	5,375,000	12/01/23	3.000%	110,000				
			12/01/24	4.000%	115,000				
			12/01/25	4.000%	120,000				
			12/01/26	4.000%	120,000				
			12/01/27	4.000%	125,000				
			12/01/28	4.000%	130,000				
			12/01/29	4.000%	140,000				
			12/01/30	4.000%	145,000				
			12/01/31	4.000%	150,000				
			12/01/32	3.000%	155,000				
			12/01/33	3.000%	160,000				
			12/01/34	3.000%	165,000				
			12/01/35	3.000%	170,000				
			12/01/36	3.000%	175,000				
			12/01/37	3.000%	180,000				
			12/01/38	3.000%	185,000				
			12/01/39	3.000%	190,000				
			12/01/40	3.000%	195,000				
			12/01/41	3.000%	200,000				
			12/01/42	3.000%	210,000				
		12/01/43	3.000%	215,000					
		12/01/44	3.000%	220,000					
		12/01/45	3.000%	225,000					
		12/01/46	3.000%	235,000					
		12/01/47	3.000%	240,000					
		12/01/48	3.000%	250,000					
		12/01/49	3.000%	255,000					
		12/01/50	3.000%	265,000					
		12/01/51	3.000%	270,000					
					5,375,000			60,000	5,315,000
<b>GRAND TOTAL</b>						<b>9,655,839</b>	<b>8,157,548</b>	<b>1,051,956</b>	<b>16,761,431</b>
						956,393			1,224,738
						8,699,446			15,536,693
						<u>9,655,839</u>			<u>16,761,431</u>

Current Portion  
Long-Term Portion



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY****OTHER SEWER COMPANIES**  
**STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED NOVEMBER 30, 2023**

	<u>Frankford Township</u>	<u>Luke/ Lovey's</u>	<u>Montague Sewer Co.</u>	<u>Sparta Plaza</u>	<u>Total</u>
<b><u>Assets:</u></b>					
Cash and Cash Equivalents	<u>4,123</u>	<u>2</u>	<u>461</u>	<u>60</u>	<u>4,646</u>
<b>Total Assets</b>	<u><u>4,123</u></u>	<u><u>2</u></u>	<u><u>461</u></u>	<u><u>60</u></u>	<u><u>4,646</u></u>
<b><u>Liabilities And Net Position:</u></b>					
Escrow Deposits Payable	<u>4,123</u>	<u>2</u>	<u>461</u>	<u>60</u>	<u>4,646</u>
<b>Total Liabilities And Net Position</b>	<u><u>4,123</u></u>	<u><u>2</u></u>	<u><u>461</u></u>	<u><u>60</u></u>	<u><u>4,646</u></u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**

**PAULINSKILL WATER RECLAMATION SYSTEM**  
**SCHEDULE OF REVENUE, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**RESTRICTED AND UNRESTRICTED**  
**FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2023**

	Unrestricted	Invested in Capital Assets	Restricted		Total
			Renewal and Replacement	Debt Service	
<b>Operating Revenue:</b>					
User Charges	674,500				674,500
Interest on Investments	15,852		3,134	3,977	22,963
Connection Fees	4,652				4,652
	<u>695,004</u>	<u>-</u>	<u>3,134</u>	<u>3,977</u>	<u>702,115</u>
<b>Operating Expenses:</b>					
Operating, Maintenance and Reserves	334,146				334,146
Depreciation		337,025			337,025
	<u>334,146</u>	<u>337,025</u>	<u>-</u>	<u>-</u>	<u>671,171</u>
<b>Operating Income</b>	360,858	(337,025)	3,134	3,977	30,944
<b>Non-Operating Revenue/(Expenses):</b>					
Budget Appropriation			70,000		70,000
Interest Expense	(183,488)				(183,488)
<b>Income/(Loss) Before Contributions and Transfers</b>	177,370	(337,025)	73,134	3,977	(82,544)
<b>Transfers:</b>					
Other	12,415		(10,164)	(2,251)	-
Capital Expenditures	(37,310)	37,310			-
Bond Principal Payment	(133,200)	133,200			-
<b>Increase (Decrease) in Net Position</b>	19,275	(166,515)	62,970	1,726	(82,544)
<b>Net Position - December 1,</b>	<u>435,055</u>	<u>4,069,886</u>	<u>82,624</u>	<u>66,172</u>	<u>4,653,737</u>
<b>Net Position - November 30,</b>	<u>454,330</u>	<u>3,903,371</u>	<u>145,594</u>	<u>67,898</u>	<u>4,571,193</u>
Designated	45,000				
Undesignated	<u>409,330</u>				
	<u>454,330</u>				

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULINSKILL WATER RECLAMATION SYSTEM  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN CASH AND INVESTMENTS  
UNRESTRICTED AND RESTRICTED ACCOUNTS  
FOR THE YEAR ENDED NOVEMBER 30, 2023

	Depository Account	Revenue Fund	Operating Fund	Bond Service Fund	Renewal & Replacement Fund	Total
<b>Cash, Cash Equivalents and Investments- December 1, 2022</b>	5,000	396,658	47,335	159,816	82,624	691,433
<b>Cash Receipts:</b>						
Interest on Investments		15,852		3,977	3,134	22,963
User Charges	678,821					678,821
Connection Fees	4,652					4,652
Budget Appropriation					70,000	70,000
Other	2,157					2,157
Transfers		685,630	707,720	318,416		1,711,766
<b>Total Cash Receipts</b>	<u>685,630</u>	<u>701,482</u>	<u>707,720</u>	<u>322,393</u>	<u>73,134</u>	<u>2,490,359</u>
<b>Total Cash And Investments Available</b>	<u>690,630</u>	<u>1,098,140</u>	<u>755,055</u>	<u>482,209</u>	<u>155,758</u>	<u>3,181,792</u>
<b>Cash Disbursements:</b>						
Expenses			389,304			389,304
Principal Payments			133,200			133,200
Interest Payments			185,216			185,216
Transfers	685,630	697,556		318,416	10,164	1,711,766
<b>Total Cash Disbursements</b>	<u>685,630</u>	<u>697,556</u>	<u>707,720</u>	<u>318,416</u>	<u>10,164</u>	<u>2,419,486</u>
<b>Cash, Cash Equivalents and Investments- November 30, 2023</b>	<u>5,000</u>	<u>400,584</u>	<u>47,335</u>	<u>163,793</u>	<u>145,594</u>	<u>762,306</u>
<b>Analysis of Balance:</b>						
Unrestricted	5,000	400,584	47,335	4,585	-	457,504
Restricted	-	-	-	159,208	145,594	304,802
	<u>5,000</u>	<u>400,584</u>	<u>47,335</u>	<u>163,793</u>	<u>145,594</u>	<u>762,306</u>
<b>Cash and Cash Equivalents</b>	<u>5,000</u>	<u>400,584</u>	<u>47,335</u>	<u>163,793</u>	<u>145,594</u>	<u>762,306</u>
<b>Investments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,000</u>	<u>400,584</u>	<u>47,335</u>	<u>163,793</u>	<u>145,594</u>	<u>762,306</u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**

**PAULINSKILL WATER RECLAMATION SYSTEM  
SCHEDULE OF OPERATING REVENUES AND  
COSTS FUNDED BY OPERATING REVENUES  
COMPARED TO BUDGET, YEAR ENDED NOVEMBER 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED NOVEMBER 30, 2022**

	<b>FY 2023 Budget</b>	<b>FY 2023 Budget After Modification</b>	<b>FY 2023 Actual</b>	<b>FY 2022 Actual</b>
<b>Revenue:</b>				
Net Position Utilized	40,000	40,000	40,000	25,000
User Charges	674,500	674,500	674,500	623,500
Interest on Investments and Deposits	1,500	1,500	22,963	3,099
Connection Fees	10,000	10,000	4,652	8,456
<b>Total Operating Revenue</b>	<b>726,000</b>	<b>726,000</b>	<b>742,115</b>	<b>660,055</b>
<b>Expenses:</b>				
<b>Operating and Maintenance</b>				
(1) Engineering and Consulting Services	14,000	14,000		
(2) Legal Fees	2,300	2,300		
(3) Indirect Administration, Legal and Fiscal Expenses	59,600	59,600	57,456	48,843
(4) Trustee and Banking Fees	1,500	1,500	1,800	1,800
(6) Insurance	11,500	11,500	11,375	10,452
(7) Printing Expenses	200	200		
(8) Safety Equipment	400	400	359	
(9) Chemicals	700	700	799	175
(10) Laboratory Supplies	1,600	1,600	388	602
(11) Plant Supplies	400	400	66	40
(12) Testing Services	1,700	1,700	780	720
(13) Outside Services	25,800	25,800	20,949	15,207
(14) Utilities	57,500	55,200	50,928	72,182
(15) Motor Vehicles and Equipment	200	200	163	163
(16) Equipment/Stationary	10,500	10,500	10,340	2,802
(17) Electrical and Mechanical Equipment Repair	3,000	3,000	380	532
(18) Payment to Upper Walkkill for Operating and Maintenance Services	98,600	98,600	98,600	94,300
(19) Taxes and Fees	13,000	13,000	9,763	8,409
<b>Total Operating and Maintenance Expenses</b>	<b>302,500</b>	<b>300,200</b>	<b>264,146</b>	<b>256,227</b>
<b>Capital Outlays</b>	<b>35,000</b>	<b>37,300</b>	<b>37,310</b>	<b>23,080</b>
<b>Reserves:</b>				
Renewal and Replacement	70,000	70,000	70,000	50,000
<b>Debt Service:</b>				
Principal	135,000	135,000	135,000	132,000
Interest	183,500	183,500	183,488	186,920
	318,500	318,500	318,488	318,920
	<b>726,000</b>	<b>726,000</b>	<b>689,944</b>	<b>648,227</b>
<b>Excess or (Deficit) in Actual Revenues and Expenses</b>			52,171	11,828
<b>Reconciliation of Budgetary Basis To</b>				
<b>Change in Net Position:</b>				
Net Position Utilized			(40,000)	(25,000)
Budget Appropriation - Renewal and Replacement			70,000	50,000
Depreciation			(337,025)	(340,425)
Capital Outlay			37,310	23,080
Debt Service Principal			135,000	132,000
			<b>(134,715)</b>	<b>(160,345)</b>
<b>Change in Net Position</b>			<b>(82,544)</b>	<b>(148,517)</b>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULINSKILL WATER RECLAMATION SYSTEM

SCHEDULE OF USDA LOANS PAYABLE

NOVEMBER 30, 2023

Description	Original Issue		Interest Rate	Maturities		Balance Dec. 1, 2022	Issued	Refunded or Paid	Balance Nov. 30, 2023
	Date	Amount		Date	Amount				
United States Department of Agriculture - Rural Development Loan No. 1	09/20/16	\$ 5,496,000	2.750%	12/01/23	46,537				
				06/01/24	47,177				
				12/01/24	47,825				
				06/01/25	48,483				
				12/01/25	49,150				
				06/01/26	49,826				
				12/01/26	50,511				
				06/01/27	51,205				
				12/01/27	51,909				
				06/01/28	52,623				
				12/01/28	53,347				
				06/01/29	54,080				
				12/01/29	54,824				
				06/01/30	55,577				
				12/01/30	56,342				
				06/01/31	57,116				
			12/01/31	57,902					
			06/01/32	58,698					
			12/01/32	59,505					
			06/01/33	60,323					
			12/01/33	61,153					
			06/01/34	61,993					
			12/01/34	62,846					
			06/01/35	63,710					
			12/01/35	64,586					
			06/01/36	65,474					
			12/01/36	66,374					
			06/01/37	67,287					
			12/01/37	68,212					
			06/01/38	69,150					
			12/01/38	70,101					

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULNSKILL WATER RECLAMATION SYSTEM  
SCHEDULE OF USDA LOANS PAYABLE  
NOVEMBER 30, 2023

Description	Original Issue		Interest Rate	Maturities		Balance Dec. 1, 2022	Issued	Refunded or Paid	Balance Nov. 30, 2023
	Date	Amount		Date	Amount				
United States Department of Agriculture - Rural Development Loan No. 1 (continued)	09/20/16	\$ 5,496,000	2.750%	06/01/39	71,065				
				12/01/39	72,042				
				06/01/40	73,033				
				12/01/40	74,037				
				06/01/41	75,055				
				12/01/41	76,087				
				06/01/42	77,133				
				12/01/42	78,194				
				06/01/43	79,269				
				12/01/43	80,359				
				06/01/44	81,464				
				12/01/44	82,584				
				06/01/45	83,719				
				12/01/45	84,870				
				06/01/46	86,037				
				12/01/46	87,220				
				06/01/47	88,420				
				12/01/47	89,635				
				06/01/48	90,868				
				12/01/48	92,117				
				06/01/49	93,384				
				12/01/49	94,668				
				06/01/50	95,970				
				12/01/50	97,289				
				06/01/51	98,627				
				12/01/51	99,983				
			06/01/52	101,358					
			12/01/52	102,752					
			06/01/53	104,164					
			12/01/53	105,597					
			06/01/54	107,049					
			12/01/54	108,521					
			06/01/55	110,013					
			12/01/55	111,525					
			06/01/56	107,501					
						5,036,644		91,189	4,945,455

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULINSKILL WATER RECLAMATION SYSTEM  
SCHEDULE OF USDA LOANS PAYABLE

NOVEMBER 30, 2022

Description	Original Issue		Interest Rate	Maturities		Balance Dec. 1, 2022	Issued	Refunded or Paid	Balance Nov. 30, 2023
	Date	Amount		Date	Amount				
United States Department of Agriculture - Rural Development Loan No. 3	09/20/16	\$ 757,000	2.250%	12/01/23	6,944				
				06/01/24	7,022				
				12/01/24	7,101				
				06/01/25	7,181				
				12/01/25	7,261				
				06/01/26	7,343				
				12/01/26	7,426				
				06/01/27	7,509				
				12/01/27	7,594				
				06/01/28	7,679				
				12/01/28	7,765				
				06/01/29	7,853				
				12/01/29	7,941				
				06/01/30	8,030				
				12/01/30	8,121				
				06/01/31	8,212				
				12/01/31	8,305				
				06/01/32	8,398				
			12/01/32	8,492					
			06/01/33	8,588					
			12/01/33	8,685					
			06/01/34	8,782					
			12/01/34	8,881					
			06/01/35	8,981					
			12/01/35	9,082					
			06/01/36	9,184					
			12/01/36	9,288					
			06/01/37	9,392					
			12/01/37	9,498					
			06/01/38	9,605					
			12/01/38	9,713					

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULINSKILL WATER RECLAMATION SYSTEM  
SCHEDULE OF USDA LOANS PAYABLE

NOVEMBER 30, 2023

Description	Original Issue		Interest Rate	Maturities		Balance Dec. 1, 2022	Issued	Refunded or Paid	Balance Nov. 30, 2023
	Date	Amount		Date	Amount				
United States Department of Agriculture - Rural Development Loan No. 3 (continued)	09/20/16	\$ 757,000	2.250%	06/01/39	9,822				
				12/01/39	9,932				
				06/01/40	10,044				
				12/01/40	10,157				
				06/01/41	10,271				
				12/01/41	10,387				
				06/01/42	10,504				
				12/01/42	10,622				
				06/01/43	10,742				
				12/01/43	10,862				
				06/01/44	10,985				
				12/01/44	11,108				
				06/01/45	11,233				
				12/01/45	11,359				
				06/01/46	11,487				
				12/01/46	11,617				
				06/01/47	11,747				
				12/01/47	11,879				
				06/01/48	12,013				
				12/01/48	12,148				
				06/01/49	12,285				
				12/01/49	12,423				
				06/01/50	12,563				
				12/01/50	12,704				
				06/01/51	12,847				
				12/01/51	12,992				
				06/01/52	13,138				
				12/01/52	13,285				
				06/01/53	13,435				
				12/01/53	13,586				
				06/01/54	13,739				
				12/01/54	13,894				
				06/01/55	14,050				
				12/01/55	14,208				
				06/01/56	13,535				
						687,115		13,656	673,459



SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULINSKILL WATER RECLAMATION SYSTEM  
SCHEDULE OF USDA LOANS PAYABLE  
NOVEMBER 30, 2023

Description	Original Issue		Interest Rate	Maturities		Balance		Refunded or Paid	Balance Nov. 30, 2023
	Date	Amount		Date	Amount	Dec. 1, 2022	Issued		
United States Department of Agriculture - Rural Development Loan No. 5	09/20/16	\$ 1,572,000	2.250%	12/01/23	14,417				
				06/01/24	14,580				
				12/01/24	14,744				
				06/01/25	14,910				
				12/01/25	15,077				
				06/01/26	15,247				
				12/01/26	15,418				
				06/01/27	15,592				
				12/01/27	15,767				
				06/01/28	15,945				
				12/01/28	16,124				
				06/01/29	16,305				
				12/01/29	16,489				
				06/01/30	16,674				
				12/01/30	16,862				
				06/01/31	17,052				
				12/01/31	17,245				
				06/01/32	17,437				
			12/01/32	17,634					
			06/01/33	17,832					
			12/01/33	18,033					
			06/01/34	18,235					
			12/01/34	18,441					
			06/01/35	18,648					
			12/01/35	18,858					
			06/01/36	19,070					
			12/01/36	19,285					
			06/01/37	19,502					
			12/01/37	19,721					
			06/01/38	19,943					
			12/01/38	20,167					

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULNSKILL WATER RECLAMATION SYSTEM  
SCHEDULE OF USDA LOANS PAYABLE  
NOVEMBER 30, 2023

Description	Original Issue		Interest Rate	Maturities		Balance Dec. 1, 2022	Issued	Refunded or Paid	Balance Nov. 30, 2023
	Date	Amount		Date	Amount				
United States Department of Agriculture - Rural Development Loan No. 5 (continued)	09/20/16	\$ 1,572,000	2.250%	06/01/39	20,394				
				12/01/39	20,623				
				06/01/40	20,855				
				12/01/40	21,090				
				06/01/41	21,327				
				12/01/41	21,567				
				06/01/42	21,810				
				12/01/42	22,055				
				06/01/43	22,303				
				12/01/43	22,554				
				06/01/44	22,808				
				12/01/44	23,065				
				06/01/45	23,324				
				12/01/45	23,587				
				06/01/46	23,852				
				12/01/46	24,120				
				06/01/47	24,392				
				12/01/47	24,666				
				06/01/48	24,943				
				12/01/48	25,224				
				06/01/49	25,508				
				12/01/49	25,795				
				06/01/50	26,085				
				12/01/50	26,378				
				06/01/51	26,675				
				12/01/51	26,975				
				06/01/52	27,279				
				12/01/52	27,586				
				06/01/53	27,896				
				12/01/53	28,210				
				06/01/54	28,527				
				12/01/54	28,848				
				06/01/55	29,173				
				12/01/55	29,501				
				06/01/56	28,293				
						1,426,895		28,355	1,398,540
						7,150,654		133,200	7,017,454
GRAND TOTAL									
				Current Portion	133,200				136,677
				Long-Term Portion	7,017,454				6,880,777
									7,017,454

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**WALLKILL WATERSHED PROJECT FUND**  
**SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS**  
**AND CHANGES IN CASH AND INVESTMENTS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2023**

Cash, Cash Equivalents and Investments- December 1, 2022	130,696
<b>Cash Receipts:</b>	
Operating Grants	733,643
Other Receipts	<u>121,725</u>
<b>Total Cash Receipts</b>	<u>855,368</u>
<b>Total Cash And Investments Available</b>	<u>986,064</u>
<b>Cash Disbursements:</b>	
Project Expenses	<u>628,616</u>
<b>Total Cash Disbursements</b>	<u>628,616</u>
Cash, Cash Equivalents and Investments- November 30, 2023	<u><u>357,448</u></u>
<b>Analysis of Balance:</b>	
Unrestricted	357,448
Restricted	<u>-</u>
	<u><u>357,448</u></u>
Cash and Cash Equivalents	357,448
Investments	<u>-</u>
	<u><u>357,448</u></u>

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2023**

	Administrative Services
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	305,718
Prepaid Expenses	5,241
Total Current Assets	310,959
Restricted Assets	
Cash and Cash Equivalents	274,004
Investments	397,404
Total Noncurrent Assets	671,408
Total Assets	982,367
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	3,725
Payroll Taxes Payable	7,153
Due to Other Funds	300,081
Total Current Liabilities	310,959
Total Liabilities	310,959
<b>NET POSITION</b>	
Restricted:	
Reserve for Unemployment Insurance	671,408
Total Net Position	671,408

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2023

	<u>Administrative Services</u>
<b>Operating Revenues:</b>	
User Charges	1,833,591
Interest Income	1,641
Other Income	101
Unemployment Contributions	<u>8,801</u>
 Total Operating Revenue	 <u>1,844,134</u>
 <b>Operating Expenses:</b>	
Administrative and General Expenses	1,833,692
Unemployment Claims	<u>2,292</u>
 Total Operating Expenses	 <u>1,835,984</u>
 <b>Operating Income</b>	 <u>8,150</u>
 <b>Net Position - Beginning</b>	 <u>663,258</u>
 <b>Net Position - Ending</b>	 <u><u>671,408</u></u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2023

	Administrative Services
<b>Cash Flows From Operating Activities:</b>	
Cash Received from Users	1,833,591
Other Operating Receipts	8,902
Interest Received	1,641
Cash Paid to Employees	(1,049,127)
Cash Paid for Employee Benefits	(511,108)
Cash Paid to Suppliers and Professional contractors	(239,700)
<b>Net Cash Provided/(Required) By     Operating Activities</b>	44,199
<b>Cash Flows From Investing Activities:</b>	
Sales (Purchases) of Investments	(1,625)
<b>Net Cash Provided/(Required) By     Investing Activities</b>	(1,625)
<b>Increase/(Decrease) In Cash And     Cash Equivalents</b>	42,574
<b>Cash And Cash Equivalents - December 1,</b>	537,148
<b>Cash And Cash Equivalents - November 30,</b>	579,722
<b>Classified As:</b>	
Unrestricted Assets	305,718
Restricted Assets	274,004
	579,722
<b>Reconciliation of Operating Income to Net     Cash Provided by Operating Activities:</b>	
Operating Income	8,150
Items Affecting Cash from Operations:	
Decrease / (Increase) in:	
Prepaid Expenses	4,409
Increase / (Decrease) in:	
Accounts Payable and Accrued Liabilities	31,640
<b>Net Cash Provided/(Required) by     Operating Activities</b>	44,199

**Single Audit Section**



**WIELKOTZ & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S 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**

Honorable Chairperson and Members  
Sussex County Municipal Utilities Authority  
Lafayette, New Jersey 07848

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Sussex County Municipal Utilities Authority, as of and for the year ended November 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated October 1, 2024.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Sussex County Municipal Utilities Authority's internal control over financial reporting (internal control) to determine the 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 Sussex County Municipal Utilities Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sussex County Municipal Utilities 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 a 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.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Sussex County Municipal Utilities Authority's financial statements are free of 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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2023-001.

***Sussex County Municipal Utilities Authority Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Sussex County Municipal Utilities Authority's response to findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Sussex County Municipal Utilities Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Wielkottz & Company, LLC***

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 1, 2024





**WIELKOTZ & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND N.J. OMB CIRCULAR 15-08**

Honorable Chairperson and Members  
Sussex County Municipal Utilities Authority  
Lafayette, NJ 07848

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

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

We have audited Sussex County Municipal Utilities Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Sussex County Municipal Utilities Authority's major federal programs for the year ended November 30, 2023. Sussex County Municipal Utilities 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, Sussex County Municipal Utilities Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended November 30, 2023.

**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 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 N.J. OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.



We are required to be independent of Sussex County Municipal Utilities 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 Sussex County Municipal Utilities 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 Sussex County Municipal Utilities 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 Sussex County Municipal Utilities 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 generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance and N.J. OMB Circular 15-08 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 judgment made by a reasonable user of the report on compliance about Sussex County Municipal Utilities Authority's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance and N.J. OMB Circular 15-08, 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 Sussex County Municipal Utilities 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 Sussex County Municipal Utilities 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 N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Sussex County Municipal Utilities 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.

Honorable Chairperson and Members  
Sussex County Municipal Utilities Authority  
Page 4.

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 N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*Wielkottz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 1, 2024



SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Expenditures of Federal Awards  
Fiscal Year Ended November 30, 2023

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Program Amount	Grant Period		Cash Received		Program Expenditures		
				From	To	Prior Years	Current Year	Prior Years	Current Year	Total
<b>U.S. Environmental Protection Agency:</b> <i>Pass Through New Jersey Department of Environmental Protection:</i> Clean Water State Revolving Funds Cluster: Capitalization Grants for Clean Water State Revolving Funds NJDEP Loan Total for Program	66.458	S342008-06	\$ 17,895,544	12/01/20	09/30/24	13,404,302	3,911,629	14,428,901	2,978,006	17,406,907
<b>Performance Partnership Grants:</b> Imp. Of Sussex County Restoration and Stewardship Initiative	66.605	042-4801-100-442	\$ 800,000	10/01/17	03/31/24	576,000	144,000	516,406	137,694	654,100
Priority Watershed WBP/TMDL Implementation - Upper Paulinskil	66.605	042-4801-100-442	\$ 42,724	10/31/20	09/01/24	42,724	-	42,724	-	42,724
Priority Watershed WBP/TMDL Implementation - Climate & Community Resiliency in the Papakating Creek and Clove Brook Watersheds Total for Program	66.605	042-4801-100-442	\$ 609,435	05/09/23	07/03/26	618,724	182,830	559,130	17,614	714,438
<b>Total Environmental Protection Agency</b>						14,023,026	4,238,459	14,988,031	3,153,314	18,121,345
<b>U.S. Department of Agriculture:</b> Natural Resources Conservation Service: Soil and Water Conservation Total for Program	10.902	N/A	\$ 256,252	08/06/21	07/31/24	52,064	127,088	103,078	124,804	227,882
<b>Total Department of Agriculture</b>						52,064	127,088	103,078	124,804	227,882
<b>U.S. Department of the Interior - National Fish and Wildlife Foundation:</b> Pass Through The Nature Conservancy: Building Awareness of Green Infrastructure Phase :	15.663		\$ 238,023	05/01/19	08/31/23	119,543	130,060	119,543	130,060	249,603
Community Driven Wetland Restoration in the Upper Paulinskil Watershed Total for Program	15.663		\$ 70,116	10/01/20	10/01/23	42,056	21,032	57,949	5,139	63,088
<b>Total Department of the Interior</b>						161,599	151,092	177,492	135,199	312,691
<b>Total Expenditures of Federal Awards</b>						14,236,689	4,516,639	15,268,601	3,393,317	18,661,918

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Expenditures of State Financial Assistance  
Fiscal Year Ended November 30, 2023

State Grantor/Pass-Through Grantor/Program	Pass Through Entity ID No.	State Account Number	Program Amount	Grant Period		Prior Years	Cash Received		Prior Years	Program Expenditures	
				From	To		Current Year	Total		Current Year	Total
New Jersey Department of Environmental Protection: NJ Infrastructure Bank NUJB Trust Loan	SS42008-06	100-4850-100-059	\$ 14,605,385	12/01/20	11/30/23	10,316,373	3,797,291	14,113,664	10,316,373	3,888,267	14,204,640
						10,316,373	3,797,291	14,113,664	10,316,373	3,888,267	14,204,640
						14,276	57,000	71,276	15,114	65,737	80,851
Priority Watershed WBP/TMDL Implementation - Upper Paulinskill	N/A	100-4850-100-059	\$ 147,276	10/31/20	09/01/24	14,276	57,000	71,276	15,114	65,737	80,851
Recycling Enhancement Act Tax Fund (2021)	N/A	042-4910-100-224	\$ 162,000	06/01/21	05/31/22	-	162,000	162,000	162,000	-	162,000
Recycling Enhancement Act Tax Fund (2022)	N/A	042-4910-100-224	\$ 162,000	06/01/22	05/31/23	-	-	-	-	162,000	162,000
Recycling Enhancement Act Tax Fund (2023)	N/A	042-4910-100-224	\$ 162,000	06/01/23	05/31/24	-	-	-	-	-	-
<b>Total State Financial Assistance</b>						10,530,649	4,016,291	14,546,940	10,493,487	4,116,004	14,609,491

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**

**NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
NOVEMBER 30, 2023**

**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state award programs of the Sussex County Municipal Utilities Authority. The Authority is defined in Note 1 to the Authority's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the accrual basis of accounting. This basis of accounting is described in Note 2(A) to the Authority's basic financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations and Single Audit Policy for Recipients of Grants, State Grants, and State Aid*.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Awards and financial assistance revenues are reported in the Authority's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Enterprise Fund	<u>\$3,393,317</u>	<u>\$4,116,004</u>	<u>\$7,509,321</u>

**NOTE 4. 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 5. INDIRECT COST RATE**

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



**Schedule of Findings and Questioned Costs**

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED NOVEMBER 30, 2023**

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

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified that are not considered to be material weaknesses reported? \_\_\_\_\_ yes \_\_\_\_\_ X none

Noncompliance material to general-purpose financial statements noted? \_\_\_\_\_ X yes \_\_\_\_\_ no

**Federal Awards**

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses reported? \_\_\_\_\_ yes \_\_\_\_\_ X none

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes \_\_\_\_\_ X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.458	Capitalization Grants - Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

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

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED NOVEMBER 30, 2023**

*Section I--Summary of Auditor's Results (continued)*

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

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

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

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses reported? \_\_\_\_\_ yes X none

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>N/A</u>	<u>New Jersey Environmental Infrastructure Trust Loan</u>
_____	_____
_____	_____
_____	_____

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED NOVEMBER 30, 2023

*Section II--Financial Statement Findings*

**2023-001:**

CONDITION

The Authority has a shortfall in the funding of its solid waste facilities cell closure reserve.

CRITERIA

Governmental Accounting Standards Board (GASB) Statement No. 18, that is based upon U.S. Environmental Protection Agency "Solid Waste Disposal Facility Criteria" rules, requires that municipal solid waste landfills recognize a portion of the estimated cost of landfill closure in the period that solid waste is accepted.

EFFECT

The Authority has not fully funded its accrued cell closure liabilities.

CAUSE

There is insufficient cash in the Authority's solid waste facilities cell closure accounts to properly fund its accrued cell closure liabilities.

RECOMMENDATION

That the Authority fully fund its accrued cell closure liabilities.

VIEWS OF RESPONSIBLE OFFICIALS/CORRECTIVE ACTION

The Authority is implementing procedures and making provisions in its annual budgets to fund the shortfall in its cell closure reserve.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED NOVEMBER 30, 2023

*Section III--Federal Awards and State Financial Assistance Findings and Questioned Costs*

No matters were reported.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED NOVEMBER 30, 2023**

**Status of Prior Year Findings**

A review was performed on all prior year's audit findings:

**Partially corrected items:**

**2022-001**

The authority is implementing procedures and continues to make provisions in the annual budgets to reduce and eliminate the deficiency in the cell closure reserve.

**General Comments**

## SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

### GENERAL COMMENTS

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

N.J.S.A. 40A:11-4 states that every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Authority has the responsibility of determining whether the expenditures in any category will exceed the statutory threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Authority Counsel's opinion should be sought before a commitment is made.

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.



**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**

**GENERAL COMMENTS, (continued)**

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 40A:11-4.

Our review of the Authority's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**

**NOVEMBER 30, 2023**

Problems and weaknesses noted in our review were not of such magnitude that they would effect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, do not hesitate to call us.

We would like to express our gratitude to the management and staff of the Authority for their assistance extended to us throughout the audit.

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC

Certified Public Accountants

Pompton Lakes, New Jersey