

REPORT OF AUDIT
SUSSEX COUNTY
MUNICIPAL UTILITIES AUTHORITY
NOVEMBER 30, 2024

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

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Introductory Section

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
ROSTER OF OFFICIALS
NOVEMBER 30, 2024

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
Mario Poggi	Commissioner

Other Officials

Joseph Sesto	Executive Director
Timothy Day	Comptroller/Treasurer
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
Wielkottz & 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. G25606796 for the period January 1, 2024 to January 1, 2025.

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Financial Section

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WIELKOTZ & COMPANY LLC

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, 2024 and 2023, 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, 2024 and 2023, 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 8, 2025 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.

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

October 8, 2025



Management Discussion and Analysis

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**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, 2024 and 2023. Please read this analysis in conjunction with the Authority's financial statements, which follow this section.

Financial Highlights

- The Authority's assets exceeded its liabilities by \$1,949,144 (net position) for the fiscal year reported. This compares to the previous year when liabilities exceeded assets by \$(1,551,950).
- Total net position are comprised of the following:
 - (1) Net Investment in Capital Assets, of \$2,945,313 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 \$3,306,340 are restricted by constraints imposed from outside the Authority such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$(4,302,509) represent the portion available to maintain the Authority's continuing obligations to citizens and creditors.
- Total liabilities of the Authority increased by \$3,302,129 to \$151,458,962 during the fiscal year primarily due to increases in the Authority's 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 years 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 \$1,949,144. This is a \$3,501,094 increase over last year's net position of \$(1,551,950). 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 2024</u>	<u>FY 2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>FY 2022</u>
Current and Other Assets	60,821	57,703	3,118	5.40%	57,641
Capital Assets	92,761	91,070	1,691	1.86%	86,830
Deferred Outflows of Resources	<u>10,195</u>	<u>9,982</u>	<u>213</u>	2.13%	<u>7,824</u>
Total Assets and Deferred Outflows	<u>163,777</u>	<u>158,755</u>	<u>5,022</u>		<u>152,295</u>
Long-term Debt Outstanding	92,938	91,598	1,340	1.46%	88,638
Other Liabilities	58,521	56,559	1,962	3.47%	51,171
Deferred Inflows of Resources	<u>10,369</u>	<u>12,150</u>	<u>(1,781)</u>	(14.66)%	<u>11,558</u>
Total Liabilities and Deferred Inflows	<u>161,828</u>	<u>160,307</u>	<u>1,521</u>		<u>151,367</u>
Net Investment					
In Capital Assets	2,945	1,611	1,334	82.81%	1,801
Restricted	3,306	1,671	1,635	97.85%	6,336
Unrestricted	<u>(4,302)</u>	<u>(4,834)</u>	<u>532</u>	(11.01)%	<u>(7,210)</u>
	<u>1,949</u>	<u>(1,552)</u>	<u>3,501</u>	(225.58)%	<u>927</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 \$3,501,094.

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

Net Position (Continued)

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

	<u>FY 2024</u>	<u>FY 2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>FY 2022</u>
Operating Revenues	28,060	25,417	2,643	10.40%	23,859
Non-Operating Revenues	<u>3,281</u>	<u>1,239</u>	<u>2,042</u>	164.81%	<u>1,636</u>
Total Revenues	<u>31,341</u>	<u>26,656</u>	<u>4,685</u>		<u>25,495</u>
Depreciation Expense	6,057	5,312	745	14.02%	4,912
Other Operating Expenses	17,544	16,259	1,285	7.90%	15,076
Other Non-Operating Expense	<u>4,239</u>	<u>7,564</u>	<u>(3,325)</u>	(43.96)%	<u>1,621</u>
Total Expenses	<u>27,840</u>	<u>29,135</u>	<u>(1,295)</u>		<u>21,609</u>
Contributions	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Change in Net Position	3,501	(2,479)	5,980		3,886
Net Position December 1	<u>(1,552)</u>	<u>927</u>	<u>(2,479)</u>	(267.42)%	<u>(2,959)</u>
Ending Net Position	<u>1,949</u>	<u>(1,552)</u>	<u>3,501</u>	267.42%	<u>927</u>

The Authority's Operating Revenues increased by \$2,642,116 to \$28,059,388 in 2024 from \$25,417,272 in 2023 primarily due to increases in user charges, tipping fees and interest. Nonoperating Revenues increased by \$2,041,990 to \$3,281,304 from \$1,239,314 mainly due to increases in net cell closure revenues and renewal and replacement fund and future debt service appropriations. Non-operating expenses decreased by \$3,325,416 to \$4,238,907 primarily due to a decrease in cell closure/post-closure expenditures.

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 2024 and 2023 budget comparison:

**Budget vs. Actual
FY 2024
(000's)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Operating	24,444	26,636	2,192
Non-Operating	<u>476</u>	<u>936</u>	<u>(460)</u>
	<u>24,920</u>	<u>27,572</u>	<u>2,652</u>
Expenses:			
Operating	21,606	18,711	2,895
Non-Operating	<u>3,314</u>	<u>3,215</u>	<u>99</u>
	<u>24,920</u>	<u>21,926</u>	<u>2,994</u>
Income Before Depreciation and Capital Contributions	<u>0</u>	<u>5,646</u>	<u>5,646</u>

**Budget vs. Actual
FY 2023
(000's)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</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>

**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

a. Hampton Commons FY2025 Budget	\$306,150
b. Investment Earnings	
Earnings on Fund Balances	
R&R Fund	\$38,600
Operating Fund	215,500
Average Fund Balance	<u>\$254,100</u>
Estimated Interest Rate	<u>0.25%</u>
Projected Investment Earnings	\$3,000
c. Appropriation from Retained Earnings	<u>\$36,000</u>
Total Amount of Other Revenues	<u>\$39,000</u>
d. Amount to be Raised by User Charges	\$312,000
e. Calculation of Sewage Treatment Charges	

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:

	<u>GPD</u>	<u>%</u>		<u>Estimated FY23 Annual Charge</u>
Hampton Common Homeowners Assoc.	32,000	82.05%	\$312,000	\$256,000
Township of Hampton	<u>7,000</u>	<u>17.95%</u>	\$312,000	<u>56,000</u>
	39,000	100.00%		\$312,000

Calculations of HCHA per Unit charge

<u>D/S & O&M Expenses</u>	=	FY2024 Estimated User Charges
Units		
<u>\$256,000</u>	=	\$853 per unit
300		

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

Solid Waste Facilities

Tipping Fee Calculation/Analysis: \$15,158,750

FY2025 Solid Waste Facilities Budget

Less: Projected Revenues (other than Tipping Fees):

A.	Recycling Market Revenues	\$265,000
C.	Non-Operating Revenues	\$444,000
D.	Utilization of Unrestricted Assets	\$1,500,000

Total "other" Revenues	<u>2,209,000</u>
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Amount to be raised by Tipping Fees	\$12,949,750
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Tipping Fee Calculation with Flow Control, no State/County Aid

$$\frac{\text{Revenues Necessary from Tip Fee}}{\text{Est. FY2025 Tonnage}} = \frac{\$12,949,750}{110,000} = \boxed{\$117.73} \text{ per ton}$$

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

Upper Wallkill Facilities

Allocation of Debt Service of Sewer Users (General Charges)

Participant	GPD		FY2025 Projections	% of Total	FY2025 Gen. Charge
Hamburg Borough	240,000	Actual	\$87,600,000	11.63%	\$123,161
Franklin Borough	448,000	Actual	163,520,000	21.70%	229,900
Wallkill Sewer Co.	96,000	Actual	35,040,000	4.65%	49,264
HTMUA	266,000	actual(a)	97,090,000	12.88%	136,503
Sussex Borough	312,000	GMF	113,880,000	15.11%	160,109
Wantage Twp.	36,500	GMF	13,322,500	1.77%	18,731
Sparta Twp.	205,000	GMF	74,825,000	9.93%	105,200
Vernon Twp.	461,000	GMF	168,265,000	22.73%	236,571
	<u>2,064,500</u>		<u>\$ 753,542,500</u>	<u>100.00%</u>	<u>\$ 1,059,439</u>

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

Participant	GPD		FY2025 Projections	% of Total	FY2025 O&M Charge
Hamburg Borough	240,000	Actual	87,600,000	11.21%	571,512
Franklin Borough	448,000	Actual	163,520,000	20.92%	1,066,822
Wallkill Sewer Co.	96,000	Actual	35,040,000	4.48%	228,605
		GMF/			
HTMUA	311,000	GMF(b)	113,515,000	14.53%	740,584
Sussex Borough	312,000	GMF	113,880,000	14.57%	742,965
Wantage Twp.	63,000	GMF	22,995,000	2.94%	150,022
Sparta Twp.	210,000	GMF	76,650,000	9.81%	500,073
Vernon Twp.	461,000	GMF	168,265,000	21.53%	1,097,779
	<u>2,141,000</u>		<u>\$ 781,465,000</u>	<u>100.00%</u>	<u>\$ 5,098,361</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. FY2025 User Charge	FY2024 Estimated User Charge	% Change
Hamburg Borough	\$123,161	\$571,512	\$694,672	\$574,379	20.9%
Franklin Borough	229,900	1,066,822	1,296,722	1,008,193	28.6%
Wallkill Sewer Co.	49,264	228,605	277,869	206,001	34.9%
HTMUA	136,503	740,584	877,087	726,047	20.8%
Sussex Borough	160,109	742,965	903,074	756,145	19.4%
Wantage Twp.	18,731	150,022	168,753	139,102	21.3%
Sparta Twp.	105,200	500,073	605,273	506,381	19.5%
Vernon Twp. (A)	<u>1,761,571</u>	<u>1,097,779</u>	<u>2,859,350</u>	<u>2,642,252</u>	<u>8.2%</u>
Comparison all system users	\$2,584,439	\$5,098,361	\$7,682,800	\$6,558,500	17.1%

(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.

$$\frac{\$6,157,800}{753,542,500} = .00817 \times 1,000 \quad \$8.17$$

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

Paulinskill Facility – FY2025

a. Paulinskill Facility Proposed FY 2025 Budget

Debt Service	\$318,500	
O&M	<u>\$564,500</u>	
Total Budget		\$883,000

b. Investment Earnings \$ 4,600

c. Appropriation from Retained Earnings \$ 48,000

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	\$318,417 unaudited
	FY23	\$318,500 unaudited
	FY24	<u>\$318,500</u> unaudited
Total D/S Paid		\$2,547,497

Total Number of EDU's in Paulinskill System 754.72

Connection Fee Calculation = $\frac{\text{D/S Paid}}{\text{EDU's}} = \frac{\$2,547,497}{755} = \$3,375 \text{ Per EDU}$

Total Amount of Other Revenues \$ 59,600

e. Amount to be Raised by User Charges \$ 823,400

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.FY2025 Annual Charges
Branchville Borough	686.72	210	144,211	90.99%	\$289,803	\$461,228	\$751,032
Township of Frankford	<u>68.00</u>	210	<u>14,280</u>	<u>9.01%</u>	<u>\$ 28,697</u>	<u>\$ 45,672</u>	<u>\$ 74,368</u>
	754.72		158,491	100.00%	\$318,500	\$504,500	\$823,400

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

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

$$\frac{\$751,032}{686.72 \text{ EDU's}} = \$1,094 \text{ per unit}$$

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

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

$$\frac{\$74,368}{68 \text{ EDU's}} = \$1,094 \text{ per unit}$$

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

Capital Assets

	<u>FY 2024</u>	<u>FY 2023</u>	<u>Dollar Change</u>	<u>FY 2022</u>
Land	3,834	3,834	0	3,834
Improvements	126,983	126,558	425	90,597
Buildings	69,362	67,856	1,506	66,776
Machinery and Equipment	<u>26,522</u>	<u>26,444</u>	<u>78</u>	<u>25,194</u>
Total Property, Plant and Equipment	226,701	224,692	2,009	186,401
Less: Accumulated Depreciation	<u>(140,180)</u>	<u>(135,020)</u>	<u>(5,160)</u>	<u>(130,282)</u>
	86,521	89,672	(3,151)	56,119
Construction in Progress	<u>6,240</u>	<u>1,398</u>	<u>4,842</u>	<u>30,711</u>
Net Property, Plant and Equipment	<u>92,761</u>	<u>91,070</u>	<u>1,691</u>	<u>86,830</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. SCMUA anticipates spending not-to-exceed \$130,000 in improvements.

Mobile Equipment/ Equipment

The SCMUA Solid Waste Facilities relies on a large amount of mobile equipment to perform its mission. In 2024, the SCMUA has budgeted for the repair/replacement of various pieces of equipment that have reached the end of their life cycle. The 2019 Caterpillar compactor is being replaced in December 2024.

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 Walkill 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 began to permanently cap the north side of cell 3. In 2024 the last phase of the 2020 Landfill Expansion and Relocation of Facilities began. The north side of cell 3 A & B are receiving permanent caps.

Wastewater Facilities

Upper Wallkill Capital Program

In 2025, a number of projects are proposed utilizing existing Capital Funds. The projects include: replace pumps, replace utility poles, purchase vector 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, 2024, the Authority had \$139,644,248 in long term obligations. Of this amount, \$720,569 is for compensated absences, \$324,949 is for a planning loan from Sussex County, \$19,785,159 is the Authority's net OPEB obligation, \$6,976,633 is the Authority's net pension obligation, \$40,394,114 is for Wastewater bonds and notes payable, \$47,098,664 is for Solid Waste program bonds and notes payable, \$24,135,191 is for landfill closure and post-closure accrued liabilities, and Financed Purchases of \$208,969.

Additionally, the Authority has \$5,445,489 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

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINED COMPARATIVE STATEMENTS OF NET POSITION
AS OF NOVEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Unrestricted Current Assets		
Cash and Cash Equivalents	\$ 21,661,679	\$ 21,834,185
Accounts Receivable (net of allowance for uncollectible)	1,119,541	1,127,609
Prepaid Expenses	53,530	50,754
Due From Homeowners Association	12,006	
Due From Central Services	560,457	294,597
Due From State of New Jersey	486,000	324,000
Total Unrestricted Current Assets	23,893,213	23,631,145
Restricted Current Assets		
Phase 2 Construction Fund		
Cash and Cash Equivalents	3,690,234	4,027,141
Due From NJ Infrastructure Bank	3,534,049	1,069,334
Due From Central Services	12,538	2,474
Phase 3 Construction Fund		
Cash and Cash Equivalents	206,877	260,521
Renewal and Replacement Fund		
Cash and Cash Equivalents	3,238,210	2,747,193
Current Debt Service Fund		
Cash and Cash Equivalents	3,497,937	3,559,444
Retained Percentages Account		
Cash and Cash Equivalents	77,506	647,096
Operations		
Cash and Cash Equivalents	4,527,575	4,362,767
Cell Closure Account		
Cash and Cash Equivalents	3,866,305	3,469,375
Due From Central Services	15,173	3,010
Due From Construction Fund	1,089,725	1,089,725
Landfill Postclosure Account		
Cash and Cash Equivalents	10,788	173,536
Investments	12,479,085	11,988,575
Unemployment Trust Fund		
Cash and Cash Equivalents	282,732	274,004
Investments	398,858	397,404
Total Restricted Current Assets	36,927,592	34,071,599
Total Current Assets	60,820,805	57,702,744

See accompanying Notes to the Financial Statements.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINED COMPARATIVE STATEMENTS OF NET POSITION
AS OF NOVEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Non-Current Assets		
Capital Assets		
Land	3,833,925	3,833,925
Improvements	126,982,427	126,557,493
Buildings	69,362,313	67,856,101
Machinery and Equipment	26,521,670	26,444,445
Accumulated Depreciation	(140,179,550)	(135,020,462)
Construction in Progress	<u>6,240,253</u>	<u>1,398,138</u>
Total Non-Current Assets	<u>92,761,038</u>	<u>91,069,640</u>
Total Assets	<u>153,581,843</u>	<u>148,772,384</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - PERS	541,134	794,434
Deferred Outflows - OPEB	8,782,513	8,235,632
Deferred Loss on Refunding of Debt	<u>871,728</u>	<u>952,294</u>
Total Deferred Outflows of Resources	<u>10,195,375</u>	<u>9,982,360</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 163,777,218</u>	<u>\$ 158,754,744</u>
LIABILITIES		
Current Liabilities (Payable from Unrestricted Assets)		
Payroll Taxes Payable	\$ 6,566	\$ 7,153
Accounts Payable	573,738	551,872
Accounts Payable - PERS	698,647	694,323
Due to Other Funds	588,168	300,081
Escrow Deposits	<u>4,646</u>	<u>4,646</u>
Total Current Liabilities Payable from Unrestricted Assets	<u>1,871,765</u>	<u>1,558,075</u>
Current Liabilities (Payable from Restricted Assets)		
Accounts Payable - Construction	1,365,372	842,320
Retainage Payable	77,506	647,096
Due to Cell Closure - Construction Fund	1,089,725	1,089,725
Bonds and Loans Payable - Current Portion	5,640,127	4,246,415
Construction Loan Payable - NJ Infrastructure Bank	5,445,489	32,768,054
Financed Purchases	102,389	257,830
Accrued Interest on Bonds and Loans	<u>1,964,857</u>	<u>1,692,206</u>
Total Current Liabilities Payable from Restricted Assets	<u>15,685,465</u>	<u>41,543,646</u>
Total Current Liabilities	<u>17,557,230</u>	<u>43,101,721</u>

See accompanying Notes to the Financial Statements.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINED COMPARATIVE STATEMENTS OF NET POSITION
AS OF NOVEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Non-Current Liabilities		
Net Pension Liability - PERS	6,976,633	7,524,601
Net OPEB Liability	19,785,159	16,943,884
Planning Loan - County of Sussex	324,949	324,949
Accrued Liabilities - Closure and Postclosure Costs	24,135,191	24,701,764
Accrued Liabilities - Compensated Absences	720,569	767,198
Financed Purchases	106,580	208,969
USDA Loans Payable	6,740,533	6,880,777
NJEIT Loans Payable	39,398,781	10,331,693
Revenue and Refunding Bonds Payable	<u>35,713,337</u>	<u>37,371,277</u>
 Total Non-Current Liabilities	 <u>133,901,732</u>	 <u>105,055,112</u>
 Total Liabilities	 <u>151,458,962</u>	 <u>148,156,833</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - PERS	577,176	613,247
Deferred Inflows - OPEB	7,588,067	10,088,132
Bond Premiums - Net	<u>2,203,869</u>	<u>1,448,482</u>
 Total Deferred Inflows of Resources	 <u>10,369,112</u>	 <u>12,149,861</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>161,828,074</u>	 <u>160,306,694</u>
 NET POSITION		
Net Investment in Capital Assets	2,945,313	1,610,913
Restricted For:		
Debt Service	1,533,080	1,867,238
Renewal and Replacement	3,238,210	2,747,193
Operations	4,527,575	4,362,767
Landfill Cell Closure/Postclosure	(6,674,115)	(7,977,543)
Unemployment Trust	681,590	671,408
Unrestricted		
Designated	2,805,354	2,069,783
Undesignated	<u>(7,107,863)</u>	<u>(6,903,709)</u>
 Total Net Position	 <u>\$ 1,949,144</u>	 <u>\$ (1,551,950)</u>

See accompanying Notes to the Financial Statements.

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINED COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
User Charges	\$ 10,176,094	\$ 9,296,591
Treatment of Sludge, Septage and Leachate	1,580,086	1,207,085
Operating and Maintenance Charges - Municipal	207,400	193,100
Tipping Fees	13,025,752	11,609,206
Recycling Markets	289,817	205,693
Connection Fees	630,944	290,941
Operating Grants	433,807	895,643
Finance Charges	47,476	28,861
Interest	1,260,199	1,102,513
Miscellaneous	407,813	587,639
Total Operating Revenues	28,059,388	25,417,272
OPERATING EXPENSES		
Administration, Operating, Maintenance and		
Reserves	17,542,921	16,257,520
Other	1,057	2,292
Depreciation	6,056,713	5,311,990
Total Operating Expenses	23,600,691	21,571,802
OPERATING INCOME (LOSS)	4,458,697	3,845,470
NON-OPERATING REVENUES (EXPENSES)		
Interest on Investments	379,701	341,397
Budget Appropriation - Renewal and Replacement	600,000	420,000
Budget Appropriation - Future Debt Service	350,000	
Budget Appropriation - Cell Closure	600,000	400,000
Budget Appropriation - Vernon Rate Stabilization	4,831	4,649
Interest Expense	(1,660,185)	(1,097,160)
Lease Interest	(50,580)	(16,451)
Accreted Interest on Capital Appreciation Bonds	(1,347,060)	(1,406,393)
Amortization of Bond Discount, Premiums	50,855	6,515
Investment Expenses	(120,311)	(113,291)

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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
NON-OPERATING REVENUES (EXPENSES), cont.		
Gain on Disposal of Equipment	149,700	73,268
Debt Issuance Costs	(540,831)	(137,309)
Other Non-Operating Expenses	(50,000)	(50,000)
Cell Closure Expenditures (Net)	1,146,217	(5,426,325)
Postclosure Expenditures (Net)	<u>(469,940)</u>	<u>676,091</u>
 Total Non-Operating Income (Expenses)	 <u>(957,603)</u>	 <u>(6,325,009)</u>
 CHANGE IN NET POSITION	 3,501,094	 (2,479,539)
 Net Position, December 1,	 <u>(1,551,950)</u>	 <u>927,589</u>
 Net Position, November 30,	 \$ <u><u>1,949,144</u></u>	 \$ <u><u>(1,551,950)</u></u>

See accompanying Notes to the Financial Statements.

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINED COMPARATIVE STATEMENTS OF CASH FLOWS
AS OF NOVEMBER 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Users	\$ 25,287,217	\$ 22,119,700
Cash Received from State of New Jersey	271,807	895,643
Other Operating Receipts	1,086,233	907,441
Interest Received	1,639,900	1,443,910
Cash Paid to Employees	(5,026,894)	(5,106,123)
Cash Paid for Employee Benefits	(3,244,777)	(3,041,494)
Cash Paid to Suppliers and Professional Contractors	(9,822,298)	(9,239,177)
Other Operating Payments	47,541	58,368
Interest Paid	<u>(1,438,114)</u>	<u>(729,720)</u>
Net Cash Provided by Operating Activities	<u>8,800,615</u>	<u>7,308,548</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
NJ Infrastructure Loans	32,179,511	
Construction Notes Paid	(32,768,054)	
Received from NJ Infrastructure Bank	2,787,547	7,708,920
Premiums Received	886,808	
Issuance Costs Paid	(486,914)	(85,051)
Principal Payments on Bonds and Loans	<u>(4,724,644)</u>	<u>(3,535,156)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(2,125,746)</u>	<u>4,088,713</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(8,062,544)	(10,435,057)
Received from Sale of Assets	149,700	135,123
Vernon Rate Stabilization Appropriation	4,831	4,649
Renewal and Replacement Fund	600,000	420,000
Future Debt Service Appropriation	350,000	
Cell Closure Appropriation	600,000	400,000
Investment Expenses	(120,311)	(113,291)
Sales (Purchases) of Investments	<u>(491,964)</u>	<u>(136,965)</u>
Net Cash Provided by Investing Activities	<u>(6,970,288)</u>	<u>(9,725,541)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(295,419)	1,671,720
Cash and Cash Equivalents, December 1,	<u>41,355,262</u>	<u>39,683,542</u>
Cash and Cash Equivalents, November 30,	<u>\$ 41,059,843</u>	<u>\$ 41,355,262</u>
ANALYSIS OF BALANCE AT NOVEMBER 30		
Unrestricted - Cash and Cash Equivalents	21,661,679	21,834,185
Restricted - Cash and Cash Equivalents	<u>19,398,164</u>	<u>19,521,077</u>
	<u>\$ 41,059,843</u>	<u>\$ 41,355,262</u>

See accompanying Notes to the Financial Statements.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINED COMPARATIVE STATEMENTS OF CASH FLOWS
AS OF NOVEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 4,458,697	\$ 3,845,470
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	6,056,713	5,311,990
Interest Received on Non-operating Investments	379,701	341,397
Pension Adjustment - PERS	(326,415)	(478,153)
OPEB Adjustment	(205,671)	(339,411)
Interest Paid	(1,438,114)	(729,720)
Other Non-Operating Expenses	47,541	58,368
(Increase)/Decrease in Accounts Receivable	8,068	(391,975)
(Increase)/Decrease in Due From Homeowners Association	(12,006)	
(Increase)/Decrease in Due From Central Services	(265,860)	(49,645)
(Increase)/Decrease in Due From State of New Jersey	(162,000)	
(Increase)/Decrease in Prepaid Expenses	(2,776)	440
Increase/(Decrease) in Current Liabilities Payable from Unrestricted Assets	309,366	(192,869)
Increase/(Decrease) in Non-Current Liabilities	(46,629)	(67,344)
Total Adjustments	4,341,918	3,463,078
Net Cash Provided by Operating Activities	\$ 8,800,615	\$ 7,308,548

See accompanying Notes to the Financial Statements.

Notes to Financial Statements

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024

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 inability 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, 2024
(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, 2024, the following amount is due to the County of Sussex:

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

Upper Wallkill System

The Sussex County Municipal Utilities Authority has entered into Service Contracts and Customer Agreements for the Upper Wallkill 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 Wallkill 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, 2024
(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, 2024
(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, 2024
(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 2K).

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, 2024
(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, 2024
(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, 2024
(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, 2024
(Continued)

2. Summary of Significant Accounting Policies, (continued)

I. Property, Plant and Equipment, (continued)

Property, plant and equipment includes:

	Upper Wallkill Facilities Fund	Hampton Commons Facilities Fund	Solid Waste Facilities Fund	Paulins Kill Water Reclamation Project	Wallkill Watershed Project	Total
<u>Fiscal Year Ended Nov. 30, 2024:</u>						
Capital Assets Not Being Depreciated:						
Land	573,834	32,741	2,770,568	456,782		3,833,925
Construction in Progress	<u>2,710,753</u>		<u>3,529,500</u>			<u>6,240,253</u>
Total Capital Assets, Not Being Depreciated	<u>3,284,587</u>	<u>32,741</u>	<u>6,300,068</u>	<u>456,782</u>	<u>-0-</u>	<u>10,074,178</u>
Capital Assets Being Depreciated:						
Improvements	23,256,996		103,725,431			126,982,427
Buildings	43,610,908	510,231	12,923,272	12,317,902		69,362,313
Machinery and Equipment	<u>13,566,287</u>	<u>770,244</u>	<u>11,711,131</u>	<u>467,794</u>	<u>6,214</u>	<u>26,521,670</u>
Total Capital Assets, Being Depreciated	80,434,191	1,280,475	128,359,834	12,785,696	6,214	222,866,410
Less:						
Accumulated Depreciation	<u>(63,058,019)</u>	<u>(1,197,923)</u>	<u>(73,277,512)</u>	<u>(2,639,882)</u>	<u>(6,214)</u>	<u>(140,179,550)</u>
Total Capital Assets Being Depreciated, Net	<u>17,376,172</u>	<u>82,552</u>	<u>55,082,322</u>	<u>10,145,814</u>	<u>0</u>	<u>82,686,860</u>
Total Capital Assets, Net	<u>20,660,759</u>	<u>115,293</u>	<u>61,382,390</u>	<u>10,602,596</u>	<u>0</u>	<u>92,761,038</u>
	Upper Wallkill Facilities Fund	Hampton Commons Facilities Fund	Solid Waste Facilities Fund	Paulins Kill Water Reclamation Project	Wallkill Watershed Project	Total
<u>Fiscal Year Ended Nov. 30, 2023:</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>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>446,979</u>	<u>6,214</u>	<u>26,444,645</u>
Total Capital Assets, Being Depreciated	78,184,072	1,280,475	128,622,597	12,764,881	6,214	220,858,239
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>10,464,243</u>	<u>0</u>	<u>85,837,777</u>
Total Capital Assets, Net	<u>19,562,702</u>	<u>131,932</u>	<u>60,454,181</u>	<u>10,921,025</u>	<u>0</u>	<u>91,069,840</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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:

	Balance Nov. 30, 2023	Additions	Disposals	Transfers	Balance Nov. 30, 2024
<u>Upper Wallkill Facilities Fund:</u>					
Capital Assets Not Being Depreciated:					
Land	573,834				573,834
Construction in Progress	<u>1,398,138</u>	<u>2,818,827</u>		<u>(1,506,212)</u>	<u>2,710,753</u>
Total Capital Assets, Not Being Depreciated	<u>1,971,972</u>	<u>2,818,827</u>	0	<u>(1,506,212)</u>	<u>3,284,587</u>
Capital Assets Being Depreciated:					
Improvements	23,135,331	121,665			23,256,996
Buildings	42,104,696			1,506,212	43,610,908
Machinery and Equipment	<u>12,944,045</u>	<u>622,242</u>			<u>13,566,287</u>
Total Capital Assets, Being Depreciated	78,184,072	743,907	0	1,506,212	80,434,191
Less:					
Accumulated Depreciation	<u>(60,593,342)</u>	<u>(2,464,677)</u>			<u>(63,058,019)</u>
Total Capital Assets Being Depreciated, Net	<u>17,590,730</u>	<u>(1,720,770)</u>	0	<u>1,506,212</u>	<u>17,376,172</u>
Total Capital Assets, Net	<u>19,562,702</u>	<u>1,098,057</u>	0	0	<u>20,660,759</u>
	Balance Nov. 30, 2023	Additions	Disposals	Balance Nov. 30, 2024	
<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>(1,181,284)</u>	<u>(16,639)</u>		<u>(1,197,923)</u>	
Total Capital Assets Being Depreciated, Net	<u>99,191</u>	<u>(16,639)</u>		<u>82,552</u>	
Total Capital Assets, Net	<u>131,932</u>	<u>(16,639)</u>		<u>115,293</u>	

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

2. Summary of Significant Accounting Policies, (continued)

I. Property, Plant and Equipment, (continued)

	Balance Nov. 30, 2023	Additions	Disposals	Transfers	Balance Nov. 30, 2024
Solid Waste Facilities Fund:					
Capital Assets Not Being Depreciated:					
Land	2,770,568				2,770,568
Construction in Progress	<u>0</u>	<u>3,832,769</u>		<u>(303,269)</u>	<u>3,529,500</u>
Total Capital Assets, Not Being Depreciated	<u>2,770,568</u>	<u>3,832,769</u>	<u>0</u>	<u>(303,269)</u>	<u>6,300,068</u>
Capital Assets Being Depreciated:					
Improvements	103,422,162			303,269	103,725,431
Buildings	12,923,272				12,923,272
Machinery and Equipment	<u>12,277,163</u>	<u>331,593</u>	<u>(897,625)</u>		<u>11,711,131</u>
Total Capital Assets, Being Depreciated	128,622,597	331,593	(897,625)	303,269	128,359,834
Less:					
Accumulated Depreciation	<u>(70,938,984)</u>	<u>(3,236,153)</u>	<u>897,625</u>		<u>(73,277,512)</u>
Total Capital Assets Being Depreciated, Net	<u>57,683,613</u>	<u>(2,904,560)</u>	<u>0</u>	<u>303,269</u>	<u>55,082,322</u>
Total Capital Assets, Net	<u>60,454,181</u>	<u>928,209</u>	<u>0</u>	<u>0</u>	<u>61,382,390</u>

	Balance Nov. 30, 2023	Additions	Disposals	Balance Nov. 30, 2024
Paulins Kill Water Reclamation Project::				
Capital Assets Not Being Depreciated:				
Land	456,782			456,782
Construction in Progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Capital Assets, Not Being Depreciated	<u>456,782</u>	<u> </u>	<u> </u>	<u>456,782</u>
Capital Assets Being Depreciated:				
Buildings	12,317,902			12,317,902
Machinery and Equipment	<u>446,779</u>	<u>21,015</u>	<u> </u>	<u>467,794</u>
Total Capital Assets, Being Depreciated	12,764,681	21,015		12,785,696
Less:				
Accumulated Depreciation	<u>(2,300,638)</u>	<u>(339,244)</u>	<u> </u>	<u>(2,639,882)</u>
Capital Assets Being Depreciated, Net	<u>10,464,043</u>	<u>(318,229)</u>	<u>0</u>	<u>10,145,814</u>
Total Capital Assets, Net	<u>10,920,825</u>	<u>(318,229)</u>	<u>0</u>	<u>10,602,596</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

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

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

	Balance <u>Nov. 30, 2023</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>Nov. 30, 2024</u>
<u>Wallkill Watershed Project::</u>				
Capital Assets Being Depreciated:				
Machinery and Equipment	<u>6,214</u>	_____	_____	<u>6,214</u>
Total Capital Assets, Being Depreciated	6,214			6,214
Less:				
Accumulated Depreciation	<u>(6,214)</u>	_____	_____	<u>(6,214)</u>
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, 2024
(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, 2024
(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, 2024
(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, 2024
(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, 2024
(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, 2024
(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, 2024
(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, 2024, there is a deficiency of \$6,674,115 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, 2024
(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, 2024
(Continued)

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

T. **Recent Accounting Pronouncements**

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.

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.

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

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

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

In September 2024, the Government Accounting Board issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The Authority is determining what effects, if any, this pronouncement will have on future financial statements.

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.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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, 2024, 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			2,164,177	2,164,177
Operating Account		209,114		209,114
Vernon Twp. Rate Stabilization Fund		114,183		114,183
Current Debt Service			2,892,152	2,892,152
Phase III Construction		206,877		206,877
General Fund			4,072,782	4,072,782
Renewal and Replacement			1,668,061	1,668,061
Phase II Construction			263,968	263,968
Future Debt Service			1	1
Retainage Account		14,082		14,082
	<u>400</u>	<u>544,256</u>	<u>11,061,141</u>	<u>11,605,797</u>
 <u>Balance Sheet Classification</u>				
Unrestricted Assets				4,728,618
Restricted Assets				<u>6,877,179</u>
				<u>11,605,797</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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			1,080,398	1,080,398
Operating Account		2,255,547		2,255,547
Construction Fund		2,163,860	1,262,406	3,426,266
Renewal and Replacement Fund			1,099,694	1,099,694
Cell Closure Account		3,832,400		3,832,400
Landfill Postclosure Account			10,788	10,788
Retained Percentages Account		63,424		63,424
Debt Service Fund			260,071	260,071
General Fund			14,962,818	14,962,818
	<u>2,600</u>	<u>8,315,231</u>	<u>18,676,175</u>	<u>26,994,006</u>

Balance Sheet Classification

Unrestricted Assets	15,385,416
Restricted Assets	<u>11,608,590</u>
	<u>26,994,006</u>

Hampton Commons Facilities Fund

Operating Account	217,112		217,112
Renewal and Replacement Fund	<u>197,601</u>		<u>197,601</u>
	<u>414,713</u>		<u>414,713</u>

Balance Sheet Classification

Unrestricted Assets	217,112
Restricted Assets	<u>197,601</u>
	<u>414,713</u>

Paulins Kill Water Reclamation Project

Operating Account	52,335		52,335
Revenue Fund		442,237	442,237
Debt Service Fund		168,510	168,510
Renewal and Replacement Fund		<u>272,854</u>	<u>272,854</u>
	<u>52,335</u>	<u>883,601</u>	<u>935,936</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

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

	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Savings/ Money Market Accounts</u>	<u>Cash on Hand</u>
<u>Balance Sheet Classification</u>				
Unrestricted Assets				503,874
Restricted Assets				<u>432,062</u>
				<u>935,936</u>
<u>Internal Service Fund</u>				
Revenue Operating Account		276,944		276,944
Payroll Account		320,640		320,640
Unemployment Trust Fund	_____	<u>282,732</u>	_____	<u>282,732</u>
	=====	<u>880,316</u>	=====	<u>880,316</u>
<u>Balance Sheet Classification</u>				
Unrestricted Assets				597,584
Restricted Assets				<u>282,732</u>
				<u>880,316</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>224,429</u>	_____	<u>224,429</u>
<u>Balance Sheet Classification</u>				
Unrestricted Assets				<u>224,429</u>
<u>Grand Total</u>				
Unrestricted				21,661,679
Restricted				<u>19,398,164</u>
				<u>41,059,843</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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, 2024, \$-0- of the Authority's bank balance of \$41,921,492 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, 2024
(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, 2024
(Continued)

4. Investments, (continued)

At November 30, 2024, 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	99,370	99,456	49,835	49,621	-
FNMA	AA+	947,000	902,126	453,626	448,500	-
FNMA Deb.	AA+	50,000	49,897	49,897	-	-
Federal Farm Credit Banks	AA+	534,000	525,718	-	366,367	159,351
Federal Home Loan Banks	AA+	1,680,000	1,656,708	269,606	1,029,813	357,289
US Treasury Notes	Aaa	<u>9,396,000</u>	<u>9,135,265</u>	<u>1,523,121</u>	<u>4,997,473</u>	<u>2,614,671</u>
		<u>12,816,370</u>	<u>12,479,085</u>	<u>2,456,000</u>	<u>6,891,774</u>	<u>3,131,311</u>

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

Unemployment Trust Fund:

12 Month Certificate of Deposit	\$253,578
12 Month Certificate of Deposit	<u>145,280</u>
	<u>\$398,858</u>

5. Long Term Obligations

Changes in long-term obligations for the fiscal year ended November 30, 2024 are as follows:

	Balance <u>11/30/23</u>	Issues or <u>Additions</u>	Payments or <u>Expenditures</u>	Balance <u>11/30/24</u>	Amount Due Within <u>One Year</u>
Compensated Absences	767,198		46,629	720,569	
Financed Purchases	466,799		257,830	208,969	102,389
Planning Loan:					
County of Sussex	324,949			324,949	
Net OPEB Obligation Payable	16,943,884	2,841,275		19,785,159	
Net Pension Liability	7,524,601		547,968	6,976,633	
Bonds and Notes Payable:					
Wastewater Program	42,068,731	1,347,060	3,021,677	40,394,114	3,030,244
Solid Waste Program	16,761,431	32,040,200	1,702,967	47,098,664	2,609,883
Accrued Liabilities - Landfill Closure/Postclosure	<u>24,701,764</u>		<u>566,573</u>	<u>24,135,191</u>	
	<u>109,559,357</u>	<u>36,228,535</u>	<u>6,143,644</u>	<u>139,644,248</u>	<u>5,742,516</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

6. Bonds Payable

As of November 30, 2024 and 2023, the Authority has the following principal amount of debt outstanding and unamortized losses from refunding transactions.

	<u>Balance</u> <u>11/30/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>11/30/24</u>	<u>Amount Due</u> <u>Within</u> <u>One Year</u>
<u>Upper Wallkill Facilities Fund:</u>					
2008 Series B Wastewater Revenue Bonds	24,354,193	1,137,000	2,620,000	22,871,193	2,620,000
2012 Wastewater Revenue Refunding Bonds	1,445,000		140,000	1,305,000	145,000
2016 Series A Wastewater Refunding Bonds	2,905,000		125,000	2,780,000	125,000
2016 Series B Wastewater Refunding Bonds	<u>6,347,084</u>	<u>210,060</u>	<u></u>	<u>6,557,144</u>	<u></u>
	<u>35,051,277</u>	<u>1,347,060</u>	<u>2,885,000</u>	<u>33,513,337</u>	<u>2,890,000</u>

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

	<u>2024</u>	<u>2023</u>
Series 2008 B	70,531	330,201
Series 2012	44,631	49,006
Series 2016 A	<u>102,600</u>	<u>107,600</u>
	<u>217,762</u>	<u>486,807</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, 2024
(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>
12/1/24	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	693,480	5.410%	2,116,520	2,810,000
	<u>10,010,023</u>		<u>19,384,977</u>	<u>29,395,000</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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 11/30/24</u>	<u>Carrying Value 11/30/24</u>
12/1/24	1,193,410	1,426,590	2,620,000
12/1/25	1,125,500	1,368,976	2,494,476
12/1/26	1,060,209	1,311,991	2,372,200
12/1/27	997,565	1,255,687	2,253,252
12/1/28	937,515	1,200,274	2,137,789
12/1/29	881,866	1,144,992	2,026,858
12/1/30	826,924	1,091,781	1,918,705
12/1/31	776,254	1,039,170	1,815,424
12/1/32	782,176	1,061,565	1,843,741
12/1/33	735,124	1,005,952	1,741,076
12/1/34	<u>693,480</u>	<u>954,192</u>	<u>1,647,672</u>
	<u>10,010,023</u>	<u>12,861,170</u>	<u>22,871,193</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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>
2024	\$145,000	3.125%	2028	\$165,000	3.375%
2025	150,000	3.125%	2029	170,000	3.625%
2026	155,000	3.755%	2030	175,000	3.625%
2027	160,000	3.375%	2031	185,000	3.625%

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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>
2024	\$125,000	4.00%	2026	\$140,000	4.00%
2025	130,000	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, 2024
(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, 2024
(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, 2024
(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 11/30/24</u>	<u>Carrying Value 11/30/24</u>
12/1/35	\$1,082,319	\$333,211	\$1,415,530
12/1/36	1,036,004	325,752	1,361,756
12/1/37	992,595	317,552	1,310,147
12/1/38	949,520	306,911	1,256,431
12/1/39	<u>914,620</u>	<u>298,660</u>	<u>1,213,280</u>
	<u>\$4,975,058</u>	<u>\$1,582,086</u>	<u>\$6,557,144</u>

Solid Waste Facilities Fund:

	<u>Balance Nov. 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Nov. 30, 2024</u>	<u>Amount Due Within One year</u>
NJ Environmental Infrastructure Trust:					
Trust Loan Series 2018A-1	\$990,000	\$	\$230,000	\$760,000	\$240,000
Fund Loan Series 2018A-1	2,394,446		676,393	1,718,053	676,393
Trust Loan Series 2022A-2	3,905,000		65,000	3,840,000	65,000
Fund Loan Series 2022A-2	4,156,985		143,344	4,013,641	143,345
Trust Loan Series 2023A-W1/C-W1		17,576,126		17,576,126	405,000
Fund Loan Series 2023A-W1/C-W1		14,464,074	478,230	13,985,844	965,145
Solid Waste Revenue Bonds:				0	
Series 2021	<u>5,315,000</u>		<u>110,000</u>	<u>5,205,000</u>	<u>115,000</u>
	<u>\$16,761,431</u>	<u>\$32,040,200</u>	<u>\$1,702,967</u>	<u>\$47,098,664</u>	<u>\$2,609,883</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, 2024
(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>
2025	240,000	5.00%
2026	255,000	5.00%
2027	<u>265,000</u>	5.00%
	<u>\$760,000</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>
2025	225,464	2025	450,929	676,393
2026	225,464	2026	450,929	676,393
2027	225,464	2027	139,803	<u>365,267</u>
				<u>\$1,718,053</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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>Trust Loan</u>		
<u>Year</u>			<u>Year</u>		
<u>August 1</u>	<u>Amount</u>	<u>Rate</u>	<u>August 1</u>	<u>Amount</u>	<u>Rate</u>
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%			
2039	130,000	5.00%			

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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>
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>\$4,013,641</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

6. Bonds Payable, (continued)

4. New Jersey Infrastructure Bank - Trust Loan Series 2023A-W1/C-W1

On December 15, 2023, the Authority issued \$17,576,126 Solid Waste Revenue Bonds (the 2023A-W1/C-W1 Trust Loan), and \$14,464,074 Solid Waste Revenue Bonds (the 2023A-W1/C-W1 Fund Loan) to the New Jersey Infrastructure Bank. The Series 2023 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 Landfill Expansion Project.

The 2023A-W1/C-W1 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>Trust Loan</u>		
<u>Year</u>			<u>Year</u>		
<u>August 1</u>	<u>Amount</u>	<u>Rate</u>	<u>August 1</u>	<u>Amount</u>	<u>Rate</u>
2025	405,000	5.00%	2035	988,739	5.00%
2026	425,000	5.00%	2036	1,032,950	3.03%
2027	706,521	5.00%	2037	1,063,499	3.03%
2028	735,445	5.00%	2038	1,092,973	3.03%
2029	769,389	5.00%	2039	1,126,340	3.03%
2030	798,355	5.00%	2040	1,163,468	3.03%
2031	832,441	5.00%	2041	1,199,221	3.03%
2032	871,552	5.00%	2042	1,233,557	3.03%
2033	910,590	5.00%	2043	1,271,434	3.03%
2034	949,652	5.00%			

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

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

4. **New Jersey Infrastructure Bank - Trust Loan Series 2023A-W1, (continued)**

<u>Year</u>		<u>Fund Loan</u>		<u>Fiscal Year</u>
<u>February 1</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Total</u>
		<u>August 1</u>		
2025	321,715	2025	643,430	965,145
2026	321,715	2026	643,430	965,145
2027	239,115	2027	478,230	717,345
2028	239,115	2028	478,230	717,345
2029	239,115	2029	478,230	717,345
2030	239,115	2030	478,230	717,345
2031	239,115	2031	478,230	717,345
2032	239,115	2032	478,230	717,345
2033	239,115	2033	478,230	717,345
2034	239,115	2034	478,230	717,345
2035	239,115	2035	478,230	717,345
2036	239,115	2036	478,230	717,345
2037	239,115	2037	478,230	717,345
2038	239,115	2038	478,230	717,345
2039	239,115	2039	478,230	717,345
2040	239,115	2040	478,230	717,345
2041	239,115	2041	478,230	717,345
2042	239,115	2042	478,230	717,345
2043	239,115	2043	338,919	578,034

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

6. Bonds Payable, (continued)

5. 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>
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, 2024
(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
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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, 2024
(Continued)

6. Bonds Payable, (continued)

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

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

	<u>2024</u>	<u>2023</u>
NJEIT Series 2018A-1	\$45,667	\$56,834
NJIB Series 2022A-2	194,167	200,131
Solid Waste Revenue Bonds, Series 2021	166,600	169,900
NJIB Series 2023A-W1/C-W1	674,124	-0-
Construction Note	<u>181,897</u>	
	<u>\$1,262,455</u>	<u>\$426,865</u>

Paulinskill Water Reclamation System

	Balance Nov. 30, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance Nov. 30, <u>2024</u>	Amount Due Within <u>One year</u>
USDA Rural Development Loans	<u>\$7,017,454</u>	<u>\$</u>	<u>\$136,677</u>	<u>\$6,880,777</u>	<u>\$140,244</u>

Interest expense on loans is comprised of the following:

	<u>2024</u>	<u>2023</u>
USDA Rural Development Loans	<u>\$179,968</u>	<u>\$183,488</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 Amount</u>	<u>Interest 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, 2024
(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>
2025	3.125-4.91%	2,890,000	142,466	3,032,466
2026	3.125-4.97%	2,774,476	258,280	3,032,756
2027	3.375-5.03%	2,667,200	370,197	3,037,397
2028	3.375-5.15%	2,558,252	478,129	3,036,381
2029	3.625-5.20%	2,452,789	582,208	3,034,997
2030-2034	3.375-5.09%	10,720,804	4,461,459	15,182,263
2035-2039	3.19-5.41%	8,011,536	3,944,839	11,956,375
2040-2041	3.00-3.60%	1,438,280	790,095	2,228,375
		<u>\$33,513,337</u>	<u>\$11,027,673</u>	<u>\$44,541,010</u>

Solid Waste Facilities Fund

<u>Fiscal</u> <u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	4.00-5.00%	2,609,883	1,039,738	3,649,621
2026	4.00-5.00%	2,654,883	999,538	3,654,421
2027	4.00-5.00%	2,392,477	957,238	3,349,715
2028	4.00-5.00%	1,796,134	905,164	2,701,298
2029	4.00-5.00%	1,840,078	864,869	2,704,947
2030-2034	4.00%	9,881,036	3,652,578	13,533,614
2035-2039	3.00%	11,072,948	2,452,166	13,525,114
2040-2044	3.00%	10,079,471	1,279,103	11,358,574
2045-2049	3.00%	2,846,721	533,000	3,379,721
2050-2052	3.00%	1,925,033	107,500	2,032,533
		<u>\$47,098,664</u>	<u>\$12,790,894</u>	<u>\$59,889,558</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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>
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	2.25-2.75%	151,517	166,898	318,415
2029	2.25-2.75%	155,474	162,942	318,416
2030-2034	2.25-2.75%	840,478	751,598	1,592,076
2035-2039	2.25-2.75%	956,280	635,801	1,592,081
2040-2044	2.25-2.75%	1,088,171	503,907	1,592,078
2045-2049	2.25-2.75%	1,238,411	353,668	1,592,079
2050-2054	2.25-2.75%	1,409,575	182,506	1,592,081
2055-2056	2.25-2.75%	<u>609,062</u>	<u>19,842</u>	<u>628,904</u>
		<u>\$6,880,777</u>	<u>\$3,300,602</u>	<u>\$10,181,379</u>

7. Construction Notes Payable - NJ Infrastructure Bank:

The Authority has received financing for various projects from loans issued through the Water Bank Construction Financing Program of the New Jersey Infrastructure Bank. As of November 30, 2024, 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>11-30-23</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>11-30-24</u>
NJWB-CFP-23-1	Landfill Expansion	32,768,054		32,768,054	-0-
NJWB-CFP-24-1	Northern Capping Project	<u>-0-</u>	<u>5,445,489</u>		<u>5,445,489</u>
		<u>32,768,054</u>	<u>5,455,489</u>	<u>32,768,054</u>	<u>5,445,489</u>

Note NJWB-CFP-23-1 was permanently financed by the issuance of the Series 2023A-W1/C-W1 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, 2024
(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. If this clause (i) is applicable, then the maturity date shall be October 9, 2026, being 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, 2028. 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, 2028, 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, 2029, 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, 2024
(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, 3030, 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**

The Authority leases various nonfinancial assets, including equipment and vehicles. These lease agreements are considered finance leases under GASB Statement No. 87, Leases.

Leased Assets:

As of November 30, 2024, the following amounts were recognized for lease assets:

<u>Asset Type</u>	<u>Lease Assets (Net)</u>	<u>Accumulated Amortization</u>
Equipment	<u>\$1,614,190</u>	<u>\$1,151,434</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

8. Lease Assets, (continued)

Lease Expense:

For the fiscal year ended November 30, 2024, the following lease expense was recognized:

- Interest Expense: \$50,580
- Amortization Expense: \$254,469
- Total Lease Expense: \$305,049

Lease Terms and Assumptions:

- Lease term is 5 years.
- Certain leases contain options to extend or terminate. These options are included in the lease term when it is reasonably certain they will be exercised.
- Options to purchase the underlying assets exist on same leases, and it is reasonably certain they will be exercised.
- The discount rate was 2.675%.
- No significant judgements or assumptions were made regarding the lease terms or payments.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

9. Lease Liabilities

The Authority had leases outstanding as of November 30, 2024 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>
Morbark Tub Grinder	3/28/22	Annual	3/28/26	4.09	<u>208,969</u>
					<u>\$208,969</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>
2025	102,389	8,555
2026	<u>106,580</u>	<u>4,363</u>
	<u>\$208,969</u>	<u>\$12,918</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.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and 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
NOVEMBER 30, 2024
(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>
2024	\$694,323	\$-0-
2023	638,565	-0-
2022	605,476	-0-
2021	506,575	-0-

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

Public Employees Retirement System (PERS)

At November 30, 2024, the Authority reported a liability of \$6,976,633 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the Authority's proportion was .0513439031 percent, which was a decrease of .0006058791 percent from its proportion measured as of June 30, 2023.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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, 2024, the Authority recognized pension benefit of \$367,908. At November 30, 2024, 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	\$139,755	\$18,574
Changes of assumptions	8,667	79,378
Net difference between projected and actual earnings on pension plan investments		323,487
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>392,712</u>	<u>155,737</u>
Total	<u>\$541,134</u>	<u>\$577,176</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2024) 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:	
2025	\$(296,211)
2026	229,199
2027	(131,863)
2028	(76,123)
2029	1,981

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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, 5.08, 5.04, 5.13, 5.16 and 5.21 years for 2024, 2023, 2022, 2021, 2020 and 2019 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2024 and June 30, 2023 are as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$1,079,580,780	\$1,080,204,730
Collective deferred inflows of resources	1,611,322,898	1,780,216,457
Collective net pension liability	13,702,423,985	14,606,489,066
Authority's Proportion	.0513439031%	.0519497822%

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. 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

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.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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, 2024) 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, 2024 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%	8.63%
Non-U.S. developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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, 2024. 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, 2024 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, 2024		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Authority's proportionate share of the pension liability	\$9,348,263	\$6,976,633	\$5,067,091

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.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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, 2024
(Continued)

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

Total OPEB Liability

At November 30, 2024, the Authority had a liability of \$19,785,159 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2024 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, 2024, the Authority's proportion was .110498 percent which was a decrease of .002412 percent from its proportion measured as of June 30, 2023.

For the year ended November 30, 2024, the Authority recognized OPEB expense of \$500,556. At November 30, 2024, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$1,001,979	\$3,352,286
Changes of assumptions	3,307,704	3,284,212
Net difference between projected and actual earnings on OPEB plan investments		8,956
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	<u>4,472,830</u>	<u>942,613</u>
Total	<u>\$8,782,513</u>	<u>\$7,588,067</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:	
2025	\$(1,241,971)
2026	(534,704)
2027	(91,886)
2028	(489,876)
2029	(312,099)
Thereafter	334,765

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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, 7.89, 7.82, 7.82, 7.87, 8.05 and 8.14 years for 2024, 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. 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.

Pre-retirement Healthy Mortality

Pre-retirement mortality rates for PERS were based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Pre-retirement mortality rates for PFRS were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

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

Post-retirement Healthy Mortality

Post-retirement mortality rates for Chapter 330 retirees were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates for other retirees is based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled Retiree Mortality

Disabled mortality rates for PERS future disabled retirees were based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled mortality rates for PFRS future disabled were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality rates for Chapter 330 current retirees were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for other current retirees were based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

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

Discount Rate

The discount rate for June 30, 2024 and 2023 was 3.93% and 3.65%, 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:

	<u>June 30, 2024</u>		
	<u>1%</u> <u>Decrease</u> <u>2.93%</u>	<u>At Current</u> <u>Discount Rate</u> <u>3.93%</u>	<u>1%</u> <u>Increase</u> <u>4.93%</u>
Authority's proportionate share of Net OPEB liability	\$23,047,578	\$19,785,159	\$17,172,252

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:

	<u>June 30, 2024</u>		
	<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	\$16,734,206	\$19,785,159	\$23,707,827

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

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, \$620,903 on the issue of the Series 2021 Solid Waste Revenue Bonds and \$886,808 on the issuance of the Solid Waste Series 2023A-W1/CW1 Bonds. At November 30, 2024, 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>
<u>\$1,993,009</u>	<u>\$270,860</u>	<u>\$2,203,869</u>

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, 2024
(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, 2024, the Authority reported a deficiency of \$6,674,115 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, 2024, cash and cash equivalents, investments and receivables of \$17,461,076 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 Wallkill Facilities Fund:

The following reserves are required by the bond resolution:

Operating Requirement:	\$1,760,575
Funded by:	
Cash, Cash Equivalents and Investments	<u>1,760,575</u>
Excess/(Deficit)	<u>\$ -0-</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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:	 1,668,061
Funded by:	
Cash, Cash Equivalents and Investments	<u>1,668,061</u>
Excess/(Deficit)	<u>-0-</u>
 Current Debt Service Requirement:	 2,963,616
Funded by:	
Cash, Cash Equivalents and Investments	<u>2,963,616</u>
Excess/(Deficit)	<u>-0-</u>

Solid Waste Facilities Fund:

The following cash reserves are required by the bond resolution:

Revenue Fund Requirement:	2,767,000
Funded by:	
Cash, Cash Equivalents and Investments	<u>2,767,000</u>
Excess/(Deficit)	<u>-0-</u>
 Renewal and Replacement Requirement:	 1,099,694
Funded by:	
Cash, Cash Equivalents and Investments	<u>1,099,694</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, 2024
(Continued)

17. Other Matters

Solid Waste Facilities

The Authority's Solid Waste Facilities experienced an increase in tonnage in fiscal year 2024. This increase is largely the result of additional tonnage received in FY2024. 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
2024	13,027,303	109,303 tons

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(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:

<u>Fiscal Year</u>	<u>Authority</u>	<u>Employee</u>		<u>Amount</u>	<u>Ending</u>
<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
11-30-24	-0-	9,048	2,191	1,057	681,590

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2024
(Continued)

19. Designation of Unrestricted Net Position

As of November 30, 2024, 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 Wallkill Facilities</u>	<u>Solid Waste Facilities</u>	<u>Hampton Commons Facilities</u>	<u>Paulinskill Water Reclamation System</u>	<u>Wallkill Watershed Project</u>	<u>Total</u>
Workers Compensation	9,439					9,439
Vernon Twp. Rate Stabilization	114,183					114,183
Wallkill Watershed Projects					250,732	250,732
Future Debt Service	350,000					350,000
Appropriated in subsequent year's budget	<u>500,000</u>	<u>1,500,000</u>	<u>36,000</u>	<u>45,000</u>	<u> </u>	<u>2,081,000</u>
	<u>973,622</u>	<u>1,500,000</u>	<u>36,000</u>	<u>45,000</u>	<u>250,732</u>	<u>2,805,354</u>

At November 30, 2024, the Authority reported a total amount of \$2,805,354 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, 2024 and 2023:

<u>2024</u>	<u>Upper Wallkill</u>	<u>Solid Waste</u>	<u>Hampton Commons</u>	<u>Paulinskill</u>	<u>Total</u>
Accrued OPEB Adjustments	(\$5,508,992)	(\$13,081,721)	\$	\$	(\$18,590,713)
Accrued Unfunded Pension Adjustments	(2,542,462)	(4,470,213)			(7,012,675)
Available for Use in Future Budgets	<u>3,779,326</u>	<u>14,064,939</u>	<u>186,758</u>	<u>464,502</u>	<u>18,495,525</u>
Total	<u>(\$4,272,128)</u>	<u>(\$3,486,995)</u>	<u>\$186,758</u>	<u>\$464,502</u>	<u>(\$7,107,863)</u>
<u>2023</u>	<u>Upper Wallkill</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>

20. Subsequent Events

The Authority has evaluated subsequent events through October 8, 2025, the date which the financial statements were available to be issued and no other items were noted for disclosure.

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Required Supplementary Information

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability (asset)	0.0513439031%	0.0519497822%	0.0506376434%	0.0517007610%	0.0463069795%	0.0461641298%	0.0466565550%	0.0458961702%	0.0418126938%	0.0411544622%
Authority's proportionate share of the net pension liability (asset)	\$ 6,976,633	\$ 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
Authority's covered payroll - PERS	\$ 4,201,034	\$ 4,080,327	\$ 3,854,180	\$ 3,705,775	\$ 3,639,487	\$ 3,222,505	\$ 3,263,132	\$ 3,175,742	\$ 3,153,643	\$ 2,988,385
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	166.07%	184.41%	193.26%	165.28%	207.49%	258.12%	281.52%	336.42%	392.68%	309.14%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 694,323	\$ 638,565	\$ 605,476	\$ 506,575	\$ 449,041	\$ 464,082	\$ 425,179	\$ 371,458	\$ 353,818	\$ 366,577
Contributions in relation to the contractually required contribution	(694,323)	(638,565)	(605,476)	(506,575)	(449,041)	(464,082)	(425,179)	(371,458)	(353,818)	(366,577)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll - PERS	\$ 4,201,034	\$ 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
Contributions as a percentage of covered payroll	16.53%	15.65%	15.31%	13.67%	12.34%	14.40%	13.03%	11.70%	11.22%	12.27%

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
Note to Required Schedules of Supplementary Information
For the Fiscal Year Ended November 30, 2024

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.

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

	2024	2023	2022	2021	2020	2019	2018	2017
Authority's proportion of the net OPEB liability (asset)	0.110498%	0.112910%	0.096937%	0.098533%	0.098849%	0.083161%	0.085938%	0.087689%
Authority's proportionate share of the net OPEB liability (asset)	\$ 19,785,159	\$ 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	\$ 4,201,034	\$ 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	470.96%	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	-0.88%	-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**

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 706,227	\$ 587,432	\$ 505,180	\$ 489,169	\$ 404,906	\$ 366,578	\$ 547,116	\$ 531,383
Contributions in relation to the contractually required contribution	\$ (706,227)	\$ (587,432)	\$ (505,180)	(489,169)	\$ (404,906)	\$ (366,578)	\$ (547,116)	\$ (531,383)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 4,201,034	\$ 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	16.81%	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**

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	\$ 602,309	\$ 674,226	\$ 772,253	\$ 833,664	\$ 598,975	\$ 554,330	\$ 770,207	\$ 933,472
Interest	612,654	656,431	389,079	407,766	491,719	528,973	656,637	568,596
Changes of Benefit Terms	118,974	26,014	390,147	1,999	1,022	(1,583)		
Difference Between Expected and Actual Experience	451,375	(2,397,446)	554,525	(1,178,649)	535,274	(1,164,189)	(3,116,442)	
Changes in Assumptions	1,918,234	288,038	(3,489,296)	334,190	3,039,576	(1,360,315)	(1,988,812)	(2,269,261)
Benefit Payments	(615,875)	(674,178)	(567,364)	(502,166)	(460,853)	(391,006)	(362,333)	(366,092)
Contributions - Members	71,113	70,472	51,538	42,675	37,114	35,967	46,395	46,989
Change in Allocation	(359,135)	2,570,204	(288,081)	(57,232)	2,167,963	(443,795)	(361,215)	
Net Change in Total OPEB Liability	2,799,649	1,213,761	(2,187,199)	(117,753)	6,410,790	(2,241,618)	(4,355,563)	(1,086,296)
Total OPEB Liability - Beginning	16,811,821	15,598,060	17,785,259	17,903,012	11,492,222	13,733,840	18,089,403	19,175,599
Total OPEB Liability - Ending	19,611,470	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	\$ 441,369	\$ 487,078	\$ 377,560	\$ 320,328	\$ 289,039	\$ 288,082	\$ 361,966	\$ 334,808
Contributions - Non-Employer	69,423	62,795	44,389	37,223	34,609	36,470	46,018	46,532
Contributing Entities	71,113	70,472	51,538	42,675	37,114	35,967	46,395	46,989
Contributions - Members	1,808	2,260	229	198	2,825	4,014	1,994	694
Net Investment Income	(615,875)	(674,178)	(567,364)	(502,166)	(460,853)	(391,006)	(362,333)	(366,092)
Benefit Payments	(12,287)	(14,246)	(11,957)	(11,168)	(9,799)	(7,882)	(7,047)	(7,800)
Administrative Expense	2,823	(9,371)	(803)	(520)	42,856	(8,733)	(3,733)	
Change in Allocation								
Net Change in Plan Fiduciary Net Position	(41,626)	(75,190)	(106,408)	(113,430)	(64,209)	(43,088)	83,260	55,131
Plan Fiduciary Net Position - Beginning	(132,063)	(56,873)	49,535	162,965	227,174	270,262	187,002	131,871
Plan Fiduciary Net Position - Ending	(173,689)	(132,063)	(56,873)	49,535	162,965	227,174	270,262	187,002
Authority's Net OPEB Liability	\$ 19,785,159	\$ 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, 2024

Change in benefit terms

None

Change in assumptions

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

Supplemental Schedules

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2024

Business-Type Activities							
Enterprise Funds							
	Upper Wallkill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Wallkill Watershed Project	Total
Assets:							
Current Assets:							
Unrestricted:							
Cash and Cash Equivalents	4,728,618	15,385,416	217,112	503,874	4,646	224,429	21,064,095
Accounts Receivable (Net)	464,617	630,516	24,408				1,119,541
Prepaid Expenses	22,372	23,656	267	1,015		643	47,953
Due from Homeowners Association			12,006				12,006
Due from State of New Jersey		486,000					486,000
Due from Central Services	201,599	309,579	8,476	10,976		29,827	560,457
Total Unrestricted Current Assets:	5,417,206	16,835,167	262,269	515,865	4,646	254,899	23,290,052
Restricted:							
Phase II Construction Account:							
Cash and Cash Equivalents	263,968	3,426,266					3,690,234
Due from NJ Infrastructure Bank		3,534,049					3,534,049
Due from Central Services	12,538						12,538
Phase III Construction Account:							
Cash and Cash Equivalents	206,877						206,877
Renewal and Replacement Account:							
Cash and Cash Equivalents	1,668,061	1,099,694	197,601	272,854			3,238,210
Current Debt Service Accounts:							
Cash and Cash Equivalents	2,963,616	375,113		159,208			3,497,937

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2024

	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	
Retained Percentages Account:								
Cash and Cash Equivalents	14,082	63,424					77,506	
Operations:								
Cash and Cash Equivalents	1,760,575	2,767,000					4,527,575	
Cell Closure Account:								
Cash and Cash Equivalents		3,866,305					3,866,305	
Due from Central Services		15,173					15,173	
Due from Construction Fund		1,089,725					1,089,725	
Landfill Postclosure Account:								
Cash and Cash Equivalents		10,788					10,788	
Investments		12,479,085					12,479,085	
Unemployment Trust Account:								
Cash and Cash Equivalents								282,732
Investments								398,858
Total Restricted Current Assets:	6,889,717	28,726,622	197,601	432,062	-	-	36,246,002	681,590
Total Current Assets	12,306,923	45,561,789	459,870	947,927	4,646	254,899	59,536,054	1,284,751

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2024

	Business-Type Activities							Internal Service Fund
	Enterprise Funds							
	Upper Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Wastewater Project	Total	
Non-Current Assets								
Capital Assets:								
Land	573,834	2,770,568	32,741	456,782			3,833,925	
Improvements	23,256,996	103,725,431					126,982,427	
Buildings	43,610,908	12,923,272	510,231	12,317,902			69,362,313	
Machinery and Equipment	13,566,287	11,711,131	770,244	467,794		6,214	26,521,670	
Accumulated Depreciation	(63,058,019)	(73,277,512)	(1,197,923)	(2,639,882)		(6,214)	(140,179,550)	
Construction in Progress	2,710,753	3,529,500					6,240,253	
Total Non-Current Assets	20,660,759	61,382,390	115,293	10,602,596	-	-	92,761,038	
Total Assets	32,967,682	106,944,179	575,163	11,550,523	4,646	254,899	152,297,092	
Deferred Outflows of Resources:								
Deferred Outflows - PERS	149,314	391,820					541,134	
Deferred Outflows - OPEB	2,514,095	6,268,418					8,782,513	
Deferred Losses on Early Retirement of Debt	871,728						871,728	
Total Deferred Outflows of Resources	3,535,137	6,660,238	-	-	-	-	10,195,375	

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2024

	Business-Type Activities						Internal Service Fund
	Enterprise Funds						
	Upper Walkill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Walkill Watershed Project	
Liabilities:							
Current Liabilities:							
Payable from Unrestricted Assets:							
Payroll Taxes Payable							-
Accounts Payable	258,847	256,423	39,511	6,363		4,167	565,311
Accounts Payable - PERS	207,076	491,571					698,647
Due to Other Funds							-
Escrow Deposits Payable					4,646		4,646
Total Current Liabilities Payable from Unrestricted Assets	465,923	747,994	39,511	6,363	4,646	4,167	1,268,604
Payable from Restricted Assets:							
Accounts Payable: Construction	802,901	562,471					1,365,372
Retainage Payable	14,082	63,424					77,506
Due to Cell Closure: Construction		1,089,725					1,089,725
Bonds and Loans Payable - Current Portion	2,890,000	2,609,883		140,244			5,640,127
Construction Loan Payable - NJ Infrastructure Bank		5,445,489					5,445,489
Financed Purchases		102,389					102,389
Accrued Interest on Bonds and Loans	1,500,206	375,113		89,538			1,964,857
Total Current Liabilities Payable from Restricted Assets	5,207,189	10,248,494	-	229,782	-	-	15,685,465
Total Current Liabilities							
	5,673,112	10,996,488	39,511	236,145	4,646	4,167	16,954,069
							603,161

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2024

	Business-Type Activities							Internal Service Fund
	Enterprise Funds							
	Upper Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Wallkill Watershed Project	Total	
Non-Current Liabilities:								
Revenue and Revenue Refunding Bonds Payable	30,623,337	5,090,000		6,740,533			35,713,337	
USDA Loans Payable							6,740,533	
NJEIT Loans Payable		39,398,781					39,398,781	
Loans Payable to County of Sussex:								
Planning Loan	324,949						324,949	
Financed Purchases		106,580					106,580	
Net Pension Liability	2,519,124	4,457,509					6,976,633	
Net OPEB Liability	5,818,536	13,966,623					19,785,159	
Accrued Liabilities - Closure and Postclosure Costs		24,135,191					24,135,191	
Accrued Liabilities - Compensated Absences	198,335	522,234					720,569	
Total Non-Current Liabilities	39,484,281	87,676,918	-	6,740,533	-	-	133,901,732	-
Total Liabilities	45,157,393	98,673,406	39,511	6,976,678	4,646	4,167	150,855,801	603,161
Deferred Inflows of Resources:								
Deferred Inflows - PERS	172,652	404,524					577,176	
Deferred Inflows - OPEB	2,204,551	5,383,516					7,588,067	
Bond Premium - Net	270,860	1,933,009					2,203,869	
Total Deferred Inflows of Resources	2,648,063	7,721,049	-	-	-	-	10,369,112	-
Net Position:								
Net Investment in Capital Assets	(12,896,177)	12,004,378	115,293	3,721,819			2,945,313	
Restricted:								
Current Debt Service	1,463,410			69,670			1,533,080	
Renewal and Replacement	1,668,061	1,099,694	197,601	272,854			3,238,210	
Operations	1,760,575	2,767,000					4,527,575	
Landfill Cell Closure/Postclosure Unemployment Insurance		(6,674,115)					(6,674,115)	
Unrestricted:							-	681,590
Designated	973,622	1,500,000	36,000	45,000		250,732	2,805,354	
Undesignated	(4,272,128)	(3,486,995)	186,758	464,502			(7,107,863)	
Total Net Position	(11,302,637)	7,209,962	535,652	4,573,845	-	250,732	1,267,554	681,590

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED NOVEMBER 30, 2024

	Business-Type Activities						Internal Service Fund
	Enterprise Funds						
	Upper Wallkill Wastewater System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Wallkill Watershed Project	Total	
Operating Revenues							
User Charges	7,514,900	268,000	758,000			8,540,900	1,635,194
Treatment of Sludge, Septage and Leachate	1,580,086					1,580,086	
Operating and Maintenance Charges-Municipal	207,400					207,400	
Tipping Fees	13,025,752					13,025,752	
Recycling Markets	289,817					289,817	
Connection Fees	622,085		8,859		271,807	630,944	
Operating Grants	39,960					433,807	
Finance Charges	7,516					47,476	
Interest	822,213		29,632			1,258,008	2,191
Other	190,124				100,000	398,765	9,048
	10,479,235	268,000	796,491	-	371,807	26,412,955	1,646,433
Operating Expenses							
Administration, Operating, Maintenance and							
Reserves	5,615,371	245,213	394,627		490,917	15,907,727	1,635,194
Other						-	1,057
Depreciation Expense	2,464,677	16,639	339,244			6,056,713	
	8,080,048	261,852	733,871	-	490,917	21,964,440	1,636,251
Operating Income	2,399,187	6,148	62,620	-	(119,110)	4,448,515	10,182

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2024

	Business-Type Activities						
	Enterprise Funds						
	Upper Walkill Wastewater System	Solid Waste System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Walkill Watershed Project	Total
Non-Operating Revenues (Expenses)							
Interest on Investments	71,035	308,666					379,701
Budget Approp. - Renewal and Replacement	200,000	200,000	80,000	120,000			600,000
Budget Approp. - Res. For Future Debt Service	350,000						350,000
Budget Approp. - Cell Closure		600,000					600,000
Budget Approp. - Vernon Rate Stabilization	4,831						4,831
Interest Expense	(217,762)	(1,262,455)		(179,968)			(1,660,185)
Lease Interest		(50,580)					(50,580)
Accreted Interest on Capital Appreciation Bonds	(1,347,060)						(1,347,060)
Amortization of Bond Discount, Premiums	(58,864)	109,719					50,855
Investment Expenses		(120,311)					(120,311)
Debt Issuance Costs		(540,831)					(540,831)
Cell Closure Expenditures (Net)		1,146,217					1,146,217
Postclosure Expenditures (Net)		(469,940)					(469,940)
Gain on Disposal of Capital Assets		149,700					149,700
Vernon Rate Stabilization	(50,000)						(50,000)
Total Non-Operating Revenues (Expenses)	(1,047,820)	70,185	80,000	(59,968)	-	-	(957,603)
Change in Net Position	1,351,367	2,169,855	86,148	2,652	-	(119,110)	3,490,912
Net Position - Beginning	(12,654,004)	5,040,107	449,504	4,571,193	-	369,842	(2,223,358)
Net Position - Ending	(11,302,637)	7,209,962	535,652	4,573,845	-	250,732	1,267,554
							681,590

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2024

	Business-Type Activities							Internal Service Fund
	Enterprise Funds							
	Upper Wallkill Wastewater System	Hampton Commons Wastewater System	Paulinskill Water Reclamation System	Other Sewer Companies	Wallkill Watershed Project	Total		
Cash Flows from Operating Activities:								
Cash received from users	9,287,785	13,340,015	266,223	758,000		23,652,023	1,635,194	
Other operating receipts	770,686	197,640		8,859	100,000	1,077,185	9,048	
Interest Received	477,198	1,130,879		29,632		1,637,709	2,191	
Operating grants received					271,807	271,807		
Cash paid to employees	(1,219,494)	(2,752,765)			(265,296)	(4,237,555)	(789,339)	
Cash paid for employee benefits	(773,483)	(1,808,111)			(129,167)	(2,710,761)	(534,016)	
Cash paid to suppliers and professional contractors	(3,866,399)	(5,157,886)	(263,191)	(403,429)	(110,363)	(9,801,268)	(21,030)	
Cash paid for other operating expenses	(50,000)	97,541				47,541		
Interest paid	(151,919)	(1,104,455)		(181,740)		(1,438,114)		
Net Cash Provided by (Used in) Operating Activities	4,474,374	3,942,858	3,032	211,322	(133,019)	8,498,567	302,048	
Cash Flows from Financing Activities:								
Received from NJ Infrastructure Bank		2,787,547				2,787,547		
Issuance Costs Paid		(486,914)				(486,914)		
NJ Infrastructure Bank Loans Received		32,179,511				32,179,511		
Construction Notes Paid		(32,768,054)				(32,768,054)		
Premiums Received		886,808				886,808		
Principal Payments on Debt	(2,885,000)	(1,702,967)		(136,677)		(4,724,644)		
Net Cash Provided by (Used in) Financing Activities	(2,885,000)	895,931	-	(136,677)	-	(2,125,746)	-	

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2024

	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	
Cash Flows from Investing Activities:								
Capital Expenditures	(3,588,774)	(4,452,755)		(21,015)			(8,062,544)	
Proceeds from sale of assets	4,831	149,700					149,700	
Vernon Rate Stabilization Approp.	200,000	200,000	80,000	120,000			4,831	
Renewal and Replacement Approp.	350,000						600,000	
Future Debt Service Approp.		600,000					350,000	
Cell Closure Approp.		(120,311)					600,000	
Investment Expenses		(490,510)					(120,311)	
Sales (purchases) of investments							(490,510)	(1,454)
Net Cash Provided by (Used in) Investing Activities	(3,033,943)	(4,113,876)	80,000	98,985	-	-	(6,968,834)	(1,454)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,444,569)	724,913	83,032	173,630	-	(133,019)	(596,013)	300,594
Cash and Cash Equivalents-Beginning of Year	13,050,366	26,269,093	331,681	762,306	4,646	357,448	40,775,540	579,722
Cash and Cash Equivalents-End of Year	11,605,797	26,994,006	414,713	935,936	4,646	224,429	40,179,527	880,316
Classified As:								
Current Assets	4,728,618	15,385,416	217,112	503,874	4,646	224,429	21,064,095	597,584
Restricted Assets	6,877,179	11,608,590	197,601	432,062	-	-	19,115,432	282,732
	11,605,797	26,994,006	414,713	935,936	4,646	224,429	40,179,527	880,316

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2024

	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	
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities								
Operating Income	2,399,187	2,099,670	6,148	62,620	-	(119,110)	4,448,515	10,182
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:								
Depreciation and Amortization	2,464,677	3,236,153	16,639	339,244			6,056,713	
Pension Adjustment - PERS	(100,210)	(226,205)					(326,415)	
OPEB Adjustment	(63,142)	(142,529)					(205,671)	
Interest Received on Non-Operating Investments	71,035	308,666					379,701	
Interest Paid	(151,919)	(1,104,455)		(181,740)			(1,438,114)	
Other Non-Operating Expenses	(50,000)	97,541					47,541	
Decrease (Increase) In:								
Accounts and Accrued Interest Receivable	(14,601)	24,446	(1,777)				8,068	
Due from Homeowners Association			(12,006)				(12,006)	
Due from State of New Jersey		(162,000)					(162,000)	
Due from Central Services	(113,871)	(132,685)	(6,739)	(8,832)		(3,733)	(265,860)	
Prepaid Expenses	(1,471)	(861)	(18)	(60)		(30)	(2,440)	(336)
Increase (Decrease) In:								
Current Liabilities Payable from Unrestricted Assets	65,223	(38,788)	785	90		(10,146)	17,164	292,202
Non-Current Liabilities	(30,534)	(16,095)					(46,629)	
Net Cash Provided by (Used in) Operating Activities	4,474,374	3,942,858	3,032	211,322	-	(133,019)	8,498,567	302,048

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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, 2024

	Invested in		Restricted		
	Unrestricted	Capital Assets	Current Debt Service	Renewal and Replacement	Operations
					Total
Operating Revenue:					
User Charges - Sewer	7,514,900				7,514,900
Treatment of Sludge	44,297				44,297
Treatment of Septage	1,080,969				1,080,969
Treatment of Leachate	451,233				451,233
Hauled Sewage	3,587				3,587
Operating and Maintenance Charges	207,400				207,400
Connection Fees	622,085				622,085
Other	108,641				108,641
Interest	406,163				406,163
Finance Charges	39,960				39,960
	10,479,235	0	0	0	10,479,235
Operating Expenses:					
Cost of Providing Services	4,272,882				4,272,882
Administrative and General Expense	787,658				787,658
Reserves	554,831				554,831
Depreciation		2,464,677			2,464,677
	5,615,371	2,464,677	0	0	8,080,048
Operating Income	4,863,864	(2,464,677)	0	0	2,399,187

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, 2024

	Unrestricted	Restricted			Total
		Invested in Capital Assets	Current Debt Service	Renewal and Replacement	
Non-Operating Revenue:					
Interest				71,035	71,035
Budget Appropriation - Reserve for Vernon Rate Stabilization	4,831				4,831
Budget Appropriation - R&R				200,000	200,000
Budget Appropriation - Reserve for Future Debt Service	350,000				350,000
Non-Operating Expenses:					
Interest Expense	(217,762)				(217,762)
Accretion		(1,347,060)			(1,347,060)
Renewal and Replacement Expenses		190,995		(190,995)	0
Vernon Rate Stabilization Expenses	(50,000)				(50,000)
Amortization		(58,864)			(58,864)
Net Income/(Loss) Before Contributions and Transfers	4,950,933	(3,679,606)	0	30,040	1,351,367
Transfers:					
Bond Principal Payments	(2,885,000)	2,885,000			0
Capital Outlay	(743,909)	743,909			0
Other	(2,755,037)	2,527,981	(65,530)	211,178	0
Increase (Decrease) in Net Position	(1,433,013)	2,477,284	(65,530)	291,218	1,351,367
Net Position - December 1,	(1,865,493)	(15,373,461)	1,528,940	1,376,843	(12,654,004)
Net Position - November 30,	(3,298,506)	(12,896,177)	1,463,410	1,668,061	(11,302,637)
Designated	973,622				
Undesignated	(4,272,128)				
	<u>(3,298,506)</u>				

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, 2024

	Trustee Revenue Account	Revenue Operating Account	Petty Cash	Renewal and Replacement	Vernon Twp. Stabilization Fund	Phase II Construction
Cash, Cash Equivalents and Investments - December 1, 2023	1,713,370	180,572	400	1,376,843	159,352	322,481
Cash Receipts:						
User and Other Charges		9,362,507				
Connection Fees		596,587		71,035		13,713
Interest	79,498			200,000	4,831	2,474
Budget Appropriation		203,677				
Other		9,497,659		211,178		2,694,036
Transfers	10,134,229					
Total Cash Receipts	10,213,727	19,660,430	-	482,213	4,831	2,710,223
Cash and Investments Available	11,927,097	19,841,002	400	1,859,056	164,183	3,032,704
Cash Disbursements:						
Operations		9,497,659				
Bond Interest Payments					50,000	
Bond Principal Payments				190,995		2,768,736
Other	9,762,920	10,134,229				
Transfers						
Total Cash Disbursements	9,762,920	19,631,888	-	190,995	50,000	2,768,736
Cash, Cash Equivalents and Investments - November 30, 2024	2,164,177	209,114	400	1,668,061	114,183	263,968
Analysis of Balance:						
Unrestricted	332,138	209,114	400	-	114,183	-
Restricted	1,832,039	-	-	1,668,061	-	263,968
Cash and Cash Equivalents Investments	2,164,177	209,114	400	1,668,061	114,183	263,968
	-	-	-	-	-	-
	2,164,177	209,114	400	1,668,061	114,183	263,968
Analysis of Restricted Accounts:						
Debt Service	71,464					
Operations	1,760,575					
	1,832,039					

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

UPPER WALKILL FACILITIES FUND
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH AND INVESTMENTS
UNRESTRICTED AND RESTRICTED ACCOUNTS
FOR THE YEAR ENDED NOVEMBER 30, 2024

	Debt Service	Future Debt Service	Phase III Construction	General	Retainage	Total
Cash, Cash Equivalents and Investments - December 1, 2023	3,022,604	1	260,521	5,986,408	27,314	13,050,366
Cash Receipts:						
User and Other Charges						9,362,507
Connection Fees				239,415		596,587
Interest	73,536			350,000		477,197
Budget Appropriation					12,303	550,000
Other						223,285
Transfers	2,832,931					25,370,033
Total Cash Receipts	2,906,467	-	-	589,415	12,303	36,579,609
Cash and Investments Available	5,929,071	1	260,521	6,575,823	40,117	49,629,975
Cash Disbursements:						
Operations						9,497,659
Bond Interest Payments	151,919					151,919
Bond Principal Payments	2,885,000					2,885,000
Other			43,532		26,035	119,567
Transfers			10,112	2,503,041		25,370,033
Total Cash Disbursements	3,036,919	-	53,644	2,503,041	26,035	38,024,178
Cash, Cash Equivalents and Investments - November 30, 2024	2,892,152	1	206,877	4,072,782	14,082	11,605,797
Analysis of Balance:						
Unrestricted	-	1	-	4,072,782	-	4,728,618
Restricted	2,892,152	-	206,877	-	14,082	6,877,179
	2,892,152	1	206,877	4,072,782	14,082	11,605,797
Cash and Cash Equivalents Investments	2,892,152	1	206,877	4,072,782	14,082	11,605,797
	2,892,152	1	206,877	4,072,782	14,082	11,605,797

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

UPPER WALLKILL FACILITIES FUND

SCHEDULE OF OPERATING REVENUES AND COST

FUNDED BY OPERATING REVENUES COMPARED TO

BUDGET YEAR ENDED NOVEMBER 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2023

	<u>FY 2024</u> <u>Budget</u>	<u>FY 2024</u> <u>Budget After</u> <u>Modifications</u>	<u>FY 2024</u> <u>Actual</u>	<u>FY 2023</u> <u>Actual</u>
Revenues:				
Net Position Utilized	450,000	450,000	450,000	500,000
User Charges - Sewer	7,514,900	7,514,900	7,514,900	6,558,500
Treatment of Sludge	46,000	46,000	44,297	40,574
Treatment of Septage	1,000,000	1,000,000	1,080,969	831,193
Treatment of Leachate	450,000	450,000	451,233	330,405
Hauled Sewage	1,000	1,000	3,587	4,913
Connection Fees	230,000	230,000	622,085	286,289
Operating and Maintenance Charges to Municipalities	220,000	220,000	207,400	193,100
Other	4,000	4,000	108,641	246,147
Interest Income from Operating Investments	26,000	26,000	406,163	389,387
Finance Charges	12,000	12,000	39,960	26,435
Total Operating Revenue	<u>9,953,900</u>	<u>9,953,900</u>	<u>10,929,235</u>	<u>9,406,943</u>
Expenses:				
Cost of Providing Services:				
(1) Salaries, Operating Staff	1,355,000	1,355,000	1,219,494	1,148,561
(2) Fringe Benefits, Operating Staff	675,500	675,500	607,139	541,414
(2) PERS	184,000	184,000	166,344	158,568
(3) Utilities	490,000	490,000	489,427	590,437
(4) Motor Vehicles & Equipment	15,000	15,000	14,075	10,251
(5) Stationary Equipment	59,000	59,000	54,751	46,000
(6) Electrical Equipment/Repair	18,000	18,000	15,814	14,486
(7) Insurance, Plant Operations	268,000	268,000	266,986	249,845
(8) Testing Services	14,000	14,000	13,280	7,750
(10) Outside Services	1,340,000	1,340,000	1,338,604	1,080,960
(11) Safety Equipment	6,000	6,000	8,544	10,502
(12) Chemicals	161,000	161,000	123,928	101,092
(13) Miscellaneous Plant Supplies	15,000	15,000	9,968	7,982
(14) Taxes and Fees	60,000	60,000	69,671	56,879
(15) Laboratory Supplies	15,000	15,000	9,863	10,148
(16) Custodial Supplies	4,000	4,000	3,878	3,764
(17) Purchases Related to Operating and Maintenance Services	15,000	15,000	24,468	16,600
Subtotal Cost of Providing Services	<u>4,694,500</u>	<u>4,694,500</u>	<u>4,436,234</u>	<u>4,055,239</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

UPPER WALLKILL FACILITIES FUND

SCHEDULE OF OPERATING REVENUES AND COST

FUNDED BY OPERATING REVENUES COMPARED TO

BUDGET YEAR ENDED NOVEMBER 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2023

	<u>FY 2024 Budget</u>	<u>FY 2024 Budget After Modifications</u>	<u>FY 2024 Actual</u>	<u>FY 2023 Actual</u>
Administrative Expenses:				
Seminars and Dues	13,000	13,000	18,222	14,781
Indirect Administrative Expenses	842,000	842,000	700,678	791,278
Engineering Consulting Fees	55,000	55,000	30,227	11,348
Trustee Fees	7,000	7,000	6,000	6,000
Auditing/Accounting Fees	500	500		
General Legal Fees	30,000	30,000	22,253	60,685
Office Supplies	2,300	2,300	2,450	2,247
Printing	300	300	465	209
Travel & Expenses, Administrative Staff	1,400	1,400	335	36
General Advertising	800	800		320
Personal Services	5,500	5,500	7,028	5,020
Subtotal Administrative Expenses	<u>957,800</u>	<u>957,800</u>	<u>787,658</u>	<u>891,924</u>
Capital Outlay	<u>702,000</u>	<u>702,000</u>	<u>743,909</u>	<u>12,632</u>
Reserves:				
Future Debt Service	350,000	350,000	350,000	
Renewal and Replacement	200,000	200,000	200,000	100,000
Vernon Rate Stabilization	15,000	15,000	4,831	4,649
Subtotal Reserves	<u>565,000</u>	<u>565,000</u>	<u>554,831</u>	<u>104,649</u>
Debt Service:				
Interest Expense	1,571,190	1,571,190	217,762 ⁽¹⁾	486,807
Bond Principal	1,463,410	1,463,410	1,463,410	1,529,000
Subtotal Debt Service	<u>3,034,600</u>	<u>3,034,600</u>	<u>1,681,172</u>	<u>2,015,807</u>
Total Costs Funded by Operating Revenues	<u>9,953,900</u>	<u>9,953,900</u>	<u>8,203,804</u>	<u>7,080,251</u>

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

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
UPPER WALLKILL FACILITIES FUND
SCHEDULE OF OPERATING REVENUES AND COST
FUNDED BY OPERATING REVENUES COMPARED TO
BUDGET YEAR ENDED NOVEMBER 30, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2023

	<u>FY 2024</u> <u>Budget</u>	<u>FY 2024</u> <u>Budget After</u> <u>Modifications</u>	<u>FY 2024</u> <u>Actual</u>	<u>FY 2023</u> <u>Actual</u>
Excess or (Deficit) in Actual Revenues and Expenses			2,725,431	2,326,692
Reconciliation of Budgetary Basis To				
Change in Net Position:				
Depreciation			(2,464,677)	(2,300,633)
Amortization of:				
Deferred Gains/Losses on Early Extinguishment of Debt			(80,566)	(80,566)
Bond Premiums			21,702	21,702
Net Position Utilized			(450,000)	(500,000)
Gain on Disposal of Capital Assets				30,942
Accreted Interest - Capital Appreciation Bonds			(1,347,060)	(1,406,393)
Adjustment for Pension Expense			100,210	144,648
Adjustment for OPEB Expense			63,142	101,823
Interest on Non-Operating Investments			71,035	61,246
Other Non-Operating Revenues			550,000	100,000
Other Non-Operating Expenses			(50,000)	(50,000)
Capital Outlay			743,909	12,632
Vernon Rate Stabilization			4,831	4,649
Bond Principal Payments			1,463,410	1,529,000
			<u>(1,374,064)</u>	<u>(2,330,950)</u>
Change in Net Position			<u>1,351,367</u>	<u>(4,258)</u>

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

UPPER WALLKILL FACILITIES FUND
SCHEDULE OF REVENUE BONDS PAYABLE
NOVEMBER 30, 2024

Description	Original Issue		Maturities Interest		Balance Dec. 1, 2023	Issued 2023-2024	Accreted Principal	Paid or Refunded 2023-2024	Balance Nov. 30, 2024		
	Date	Amount	Date	Rate						Amount	
2008 Wastewater Revenue Bonds (Series B)	09/15/08	23,403,738	12/01/24	4.910%	2,620,000						
			12/01/25	4.970%	2,494,476						
			12/01/26	5.030%	2,372,200						
			12/01/27	5.090%	2,253,252						
			12/01/28	5.150%	2,137,789						
			12/01/29	5.200%	2,026,858						
			12/01/30	5.260%	1,918,705						
			12/01/31	5.310%	1,815,424						
			12/01/32	5.360%	1,843,741						
			12/01/33	5.390%	1,741,076						
			12/01/34	5.410%	1,647,672						
					24,354,193		1,137,000	2,620,000	22,871,193		
2012 Wastewater Revenue Refunding Bonds	07/11/12	3,165,000	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						
								1,445,000		140,000	1,305,000

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, 2024

	<u>Unrestricted</u>	<u>Invested in Capital Assets</u>	<u>Restricted Renewal and Replacement</u>	<u>Total</u>
Operating Revenue:				
Sewer Charges	268,000			268,000
	<u>268,000</u>	<u>-</u>	<u>-</u>	<u>268,000</u>
Operating Expenses:				
Operating, Maintenance and Reserves	245,213			245,213
Depreciation		16,639		16,639
	<u>245,213</u>	<u>16,639</u>	<u>-</u>	<u>261,852</u>
Operating Income	22,787	(16,639)	-	6,148
Non-Operating Revenue/(Expenses):				
Budget Appropriation			80,000	80,000
Increase (Decrease) in Net Position	22,787	(16,639)	80,000	86,148
Net Position - December 1,	<u>199,971</u>	<u>131,932</u>	<u>117,601</u>	<u>449,504</u>
Net Position - November 30,	<u>222,758</u>	<u>115,293</u>	<u>197,601</u>	<u>535,652</u>
 Designated	 36,000			
Undesignated	<u>186,758</u>			
	<u>222,758</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, 2024

	Revenue Operating Account	Renewal and Replacement Account	Total
Cash, Cash Equivalents and Investments- December 1, 2023	214,080	117,601	331,681
Cash Receipts:			
Sewer Charges	278,605		278,605
Other	7,571		7,571
Budget Appropriation		80,000	80,000
Total Cash Receipts	<u>286,176</u>	<u>80,000</u>	<u>366,176</u>
Total Cash And Investments Available	<u>500,256</u>	<u>197,601</u>	<u>697,857</u>
Cash Disbursements:			
Operating and Maintenance Costs	<u>283,144</u>		<u>283,144</u>
Total Cash Disbursements	<u>283,144</u>	<u>-</u>	<u>283,144</u>
Cash, Cash Equivalents and Investments- November 30, 2024	<u>217,112</u>	<u>197,601</u>	<u>414,713</u>
Analysis of Balance:			
Unrestricted	217,112	-	217,112
Restricted	<u>-</u>	<u>197,601</u>	<u>197,601</u>
	<u>217,112</u>	<u>197,601</u>	<u>414,713</u>
Cash and Cash Equivalents	217,112	197,601	414,713
Investments	<u>-</u>	<u>-</u>	<u>-</u>
	<u>217,112</u>	<u>197,601</u>	<u>414,713</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, 2024
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED NOVEMBER 30, 2023

	<u>FY 2024</u> <u>Budget</u>	<u>FY 2024</u> <u>Budget After</u> <u>Modification</u>	<u>FY 2024</u> <u>Actual</u>	<u>FY 2023</u> <u>Actual</u>
Revenue:				
Net Position Utilized	36,150	36,150	36,150	35,000
Service Agreements (Hampton Commons Homeowners Association)	219,897	219,897	219,897	188,718
(Lowe's)	48,103	48,103	48,103	41,282
Interest on Investments and Deposits	2,000	2,000		
Total Operating Revenue	<u>306,150</u>	<u>306,150</u>	<u>304,150</u>	<u>265,000</u>
Expenses:				
Operating and Maintenance				
(1) Payment to Upper Wallkill for Operating and Maintenance Services	65,000	65,000	60,000	56,000
(2) Utilities	17,400	17,400	18,365	16,948
(3) Outside Services	15,500	15,500	13,582	9,425
(4) Testing Services	7,300	7,300	11,299	6,110
(5) Engineering Fees	27,000	27,000	152	39,600
(6) Legal Fees	6,000	6,000	741	
(7) Plant Supplies	1,100	1,100	613	276
(8) Chemicals	6,000	6,000	2,926	2,813
(9) Electrical and Mechanical Equipment Repair	1,500	1,500		
(10) Equipment/Stationary	15,500	15,500	9,219	1,189
(11) Laboratory Supplies	3,300	3,300	1,348	925
(12) Insurance	3,250	3,250	3,188	2,967
(13) Safety Equipment	600	600		359
(14) Taxes and Fees	6,000	6,000	1,617	5,826
(15) Printing Expenses	200	200	139	
(16) Indirect Administration, Legal and Fiscal Expenses	50,500	50,500	42,024	46,563
Total Operating and Maintenance Expenses	<u>226,150</u>	<u>226,150</u>	<u>165,213</u>	<u>189,001</u>
Renewal and Replacement	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>50,000</u>
	<u>306,150</u>	<u>306,150</u>	<u>245,213</u>	<u>239,001</u>
Excess or (Deficit) in Actual Revenues and Expenses			58,937	25,999
Reconciliation of Budgetary Basis To Change in Net Position:				
Net Position Utilized			(36,150)	(35,000)
Depreciation			(16,639)	(16,917)
Renewal and Replacement (Net)			80,000	50,000
			<u>27,211</u>	<u>(1,917)</u>
Change in Net Position			<u>86,148</u>	<u>24,082</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, 2024**

	Unrestricted	Invested in Capital Assets	Current Debt Service	Renewal and Replacement	Restricted Operations	Landfill Cell Closure/ Postclosure	Total
Operating Revenues:							
Tipping Fees	13,025,752						13,025,752
Recycle Markets	289,817						289,817
Operating Grant	162,000						162,000
Interest from Users	7,516						7,516
Landfill Gas Sales	171,813						171,813
Interest on Operating Investments	822,213						822,213
Miscellaneous	18,311						18,311
	<u>14,497,422</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,497,422</u>
Operating Expenses:							
Administration, Operations, Maintenance and Reserves	9,161,599	3,236,153					9,161,599
Depreciation							3,236,153
	<u>9,161,599</u>	<u>3,236,153</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,397,752</u>
Operating Income	<u>5,335,823</u>	<u>(3,236,153)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,099,670</u>
Non-Operating Revenues / (Expenses):							
Interest Income				56,265		252,401	308,666
Budget Appropriation				200,000		600,000	800,000
Investment Expenses	(85,969)					(34,342)	(120,311)
Gain on Disposal of Equipment	149,700						149,700
Interest Expense	(1,262,455)						(1,262,455)
Lease Interest	(50,580)						(50,580)
Cell Closure Expenditures (Net)		190,908				955,309	1,146,217
Postclosure Expenditures (Net)		263,736		(263,726)		(469,940)	(469,940)
Renewal & Replacement Expenditures	(540,831)					0	0
Debt Issuance Costs						(540,831)	(540,831)
Amortization		109,719					109,719
	<u>3,545,688</u>	<u>(2,671,800)</u>	<u>0</u>	<u>(7,461)</u>	<u>0</u>	<u>1,303,428</u>	<u>2,169,855</u>
Income or (Loss) Before Transfers							
Transfers:							
Bond Principal Payments	(1,702,967)	1,702,967					0
Other	<u>162,860</u>	<u>24,140</u>	<u>(270,400)</u>		<u>83,400</u>		<u>0</u>
Increase/(Decrease) in Net Position	<u>2,005,581</u>	<u>(944,693)</u>	<u>(270,400)</u>	<u>(7,461)</u>	<u>83,400</u>	<u>1,303,428</u>	<u>2,169,855</u>
Net Position - December 1,	<u>(3,992,576)</u>	<u>12,949,071</u>	<u>270,400</u>	<u>1,107,155</u>	<u>2,683,600</u>	<u>(7,977,543)</u>	<u>5,040,107</u>
Net Position - November 30,	<u>(1,986,995)</u>	<u>12,004,378</u>	<u>0</u>	<u>1,099,694</u>	<u>2,767,000</u>	<u>(6,674,115)</u>	<u>7,209,962</u>
Designated	<u>1,500,000</u>						
Undesignated	<u>(3,486,995)</u>						
	<u>(1,986,995)</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, 2024

	Trustee Revenue Account	Revenue Operating Account	Petty Cash	General Fund
Cash, Cash Equivalents and Investments - December 1, 2023	850,199	1,686,505	2,600	14,252,753
Cash Receipts:				
Solid Waste Revenues		13,075,773		
Interest on Investments	44,589			710,065
Budget Appropriation				
Landfill Gas Purchase		171,813		
NJ Infrastructure Trust				
Other		715,635		
Transfers	13,692,653	10,746,063		
Total Cash Receipts	13,737,242	24,709,284	-	710,065
Cash and Investments Available	14,587,441	26,395,789	2,600	14,962,818
Cash Disbursements:				
Operations		10,369,606		
Project Expenses				
Principal Payments				
Interest Payments				
Other		77,983		
Transfers	13,507,043	13,692,653		
Total Cash Disbursements	13,507,043	24,140,242	-	-
Cash, Cash Equivalents and Investments - November 30, 2024	1,080,398	2,255,547	2,600	14,962,818
Analysis of Balance:				
Unrestricted	931,451	2,255,547	2,600	12,195,818
Restricted	148,947	-	-	2,767,000
	1,080,398	2,255,547	2,600	14,962,818
Cash and Cash Equivalents	1,080,398	2,255,547	2,600	14,962,818
Investments	-	-	-	-
	1,080,398	2,255,547	2,600	14,962,818
Analysis of Restricted Accounts:				
Operations	-			2,767,000
Debt Service	115,042			
Cell Closure	33,905			
	148,947			2,767,000

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, 2024**

	<u>Construction</u>	<u>Renewal and Replacement</u>	<u>Debt Service Fund</u>	<u>Retained Percentages</u>
Cash, Cash Equivalents and Investments - December 1, 2023	3,704,660	1,107,155	436,933	619,282
Cash Receipts:				
Solid Waste Revenues				
Interest on Investments	59,908	56,265	7,652	
Budget Appropriation		200,000		
Landfill Gas Purchase				
NJ Infrastructure Trust	2,787,547			
Other				56,798
Transfers	263,726		2,760,980	
Total Cash Receipts	<u>3,111,181</u>	<u>256,265</u>	<u>2,768,632</u>	<u>56,798</u>
Cash and Investments Available	<u>6,815,841</u>	<u>1,363,420</u>	<u>3,205,565</u>	<u>676,080</u>
Cash Disbursements:				
Operations				
Project Expenses	3,389,575			
Principal Payments			1,702,967	
Interest Payments			871,978	
Other			370,549	612,656
Transfers		263,726		
Total Cash Disbursements	<u>3,389,575</u>	<u>263,726</u>	<u>2,945,494</u>	<u>612,656</u>
Cash, Cash Equivalents and Investments - November 30, 2024	<u>3,426,266</u>	<u>1,099,694</u>	<u>260,071</u>	<u>63,424</u>
Analysis of Balance:				
Unrestricted	-	-	-	-
Restricted	3,426,266	1,099,694	260,071	63,424
	<u>3,426,266</u>	<u>1,099,694</u>	<u>260,071</u>	<u>63,424</u>
Cash and Cash Equivalents	3,426,266	1,099,694	260,071	63,424
Investments	-	-	-	-
	<u>3,426,266</u>	<u>1,099,694</u>	<u>260,071</u>	<u>63,424</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, 2024

	Cell Closure Account	Landfill Postclosure Account	Total
Cash, Cash Equivalents and Investments - December 1, 2023	3,435,470	12,162,111	38,257,668
Cash Receipts:			
Solid Waste Revenues			13,075,773
Interest on Investments		252,401	1,130,880
Budget Appropriation	600,000		800,000
Landfill Gas Purchase			171,813
NJ Infrastructure Trust			2,787,547
Other	3,010	109,704	885,147
Transfers			27,463,422
Total Cash Receipts	603,010	362,105	46,314,582
Cash and Investments Available	4,038,480	12,524,216	84,572,250
Cash Disbursements:			
Operations			10,369,606
Project Expenses			3,389,575
Principal Payments			1,702,967
Interest Payments			871,978
Other	206,080	34,343	1,301,611
Transfers			27,463,422
Total Cash Disbursements	206,080	34,343	45,099,159
Cash, Cash Equivalents and Investments - November 30, 2024	3,832,400	12,489,873	39,473,091
Analysis of Balance:			
Unrestricted	-	-	15,385,416
Restricted	3,832,400	12,489,873	24,087,675
	3,832,400	12,489,873	39,473,091
Cash and Cash Equivalents	3,832,400	10,788	26,994,006
Investments	-	12,479,085	12,479,085
	3,832,400	12,489,873	39,473,091

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY**SOLID WASTE FACILITIES FUND****SCHEDULE OF OPERATING REVENUES****COMPARED TO BUDGET, YEAR ENDED NOVEMBER 30, 2024****WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2023**

	<u>FY 2024 Budget</u>	<u>FY 2024 Budget after Modifications</u>	<u>FY 2024 Actual</u>	<u>FY 2023 Actual</u>
Revenue:				
Net Position Appropriated	1,000,000	1,000,000	1,000,000	450,000
Tipping Fees	12,170,000	12,170,000	13,025,752	11,609,206
Gross Sales on Recycle Markets	245,000	245,000	289,817	205,693
Interest on Investment and Deposits	90,000	90,000	822,213	688,522
Interest from Users			7,516	2,426
Operating Grant	165,000	165,000	162,000	162,000
Landfill Gas Sales	174,000	174,000	171,813	174,345
Miscellaneous			18,311	58,245
Total Revenue	13,844,000	13,844,000	15,497,422	13,350,437
Expenses:				
Operating and Maintenance (LF)				
(1) Salaries	3,100,000	3,080,000	2,752,765	2,648,164
(2) Benefits	1,654,200	1,654,200	1,435,788	1,379,254
(2) PERS	382,000	382,000	372,323	331,712
(3) Personnel Services	35,500	35,500	36,350	33,443
(4) Engineering and Consulting	108,000	108,000	111,825	98,844
(5) Legal Fees	20,000	20,000	11,762	39,013
(6) Indirect Administrative	842,000	842,000	700,678	791,278
(7) Trustee and Banking Fees	18,500	18,500	8,500	19,588
(8) Insurance	282,000	282,000	283,008	262,774
(9) Auditing/Accounting Fees	2,000	2,000	3,500	6,673
(10) Seminars and Dues	12,500	32,500	19,686	11,687
(11) Travel and Expenses	3,500	3,500	3,280	2,700
(12) Office Supplies	11,000	11,000	7,427	14,401
(14) Advertising	5,500	5,500	2,102	2,894
(15) Printing	5,000	5,000	1,393	1,484
(16) Postage	200	200		11
(17) Publications and Subscriptions	1,000	1,000	157	779
(18) Custodial Supplies	10,000	10,000	13,901	11,581
(19) Safety Equipment	15,500	15,500	16,088	15,035
(20) Chemicals/Supplies	263,500	263,500	164,767	41,899
(21) Plant Supplies	28,000	28,000	27,132	24,232
(22) Testing Services	95,000	95,000	89,425	88,296
(23) Outside Services	192,000	192,000	148,045	185,156
(24) Utilities	465,000	465,000	337,042	372,606
(25) Motor Vehicles and Equipment	578,000	578,000	220,042	264,794
(26) Equipment/Stationary	27,500	27,500	27,727	29,050
(27) Electrical Equipment/Repairs	43,000	43,000	42,850	37,917
(28) Leachate Disposal	450,000	450,000	451,233	330,405
(29) Recycling Services	87,000	87,000	128,174	135,671
(30) Landfill Gas System	68,000	68,000	69,257	66,033
(31) Host Community Benefit Payments	550,000	550,000	536,649	526,257
(32) Special Accounts	110,000	110,000	109,258	107,602
(33) Taxes and Fees	569,000	569,000	598,199	518,463
Other Expenses				
	10,034,400	10,034,400	8,730,333	8,399,696

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF OPERATING REVENUES
COMPARED TO BUDGET, YEAR ENDED NOVEMBER 30, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2023

	<u>FY 2024 Budget</u>	<u>FY 2024 Budget after Modifications</u>	<u>FY 2024 Actual</u>	<u>FY 2023 Actual</u>
Capital Outlay	<u>100,000</u>	<u>100,000</u>		<u>23,126</u>
Debt Service:				
Bond Principal	<u>1,949,900</u>	<u>1,949,900</u>	<u>1,949,900</u>	<u>1,325,000</u>
Interest on Bonds	<u>959,700</u>	<u>959,700</u>	<u>1,262,455</u>	<u>426,865</u>
	<u>2,909,600</u>	<u>2,909,600</u>	<u>3,212,355</u>	<u>1,751,865</u>
Reserves:				
Renewal and Replacement	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Cell Closure	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>400,000</u>
	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>600,000</u>
Total Solid Waste Appropriations	<u>13,844,000</u>	<u>13,844,000</u>	<u>12,742,688</u>	<u>10,774,687</u>
Excess or Deficit in Actual Revenues and Expenses			2,754,734	2,575,750
Reconciliation of Budgetary Basis				
To Change in Net Position:				
Depreciation Expense			(3,236,153)	(2,657,415)
Amortization			109,719	65,379
Net Position Appropriated			(1,000,000)	(450,000)
Debt Issuance Costs			(540,831)	(137,309)
Gain on Disposal of Equipment			149,700	42,326
Lease Interest			(50,580)	(16,451)
Adjustment to Pension Expense			226,205	333,505
Adjustment to OPEB Expense			142,529	237,588
Interest on Non-Operating Investments			308,666	280,151
Investment Expenses			(120,311)	(113,291)
Net Closure/Postclosure Care Expenses			676,277	(4,750,234)
Capital Outlay				23,126
Budget Appropriation - Renewal & Replacement			200,000	200,000
Budget Appropriation - Cell Closure			600,000	400,000
Bond Principal Payments			<u>1,949,900</u>	<u>1,325,000</u>
Change in Net Position			<u>2,169,855</u>	<u>(2,641,875)</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2024

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	Date	Amount							
New Jersey Environmental Infrastructure Trust - Trust Loan Series 2018A-1	05/22/18	\$ 1,990,000	08/01/25	5.000%	240,000				
			08/01/26	5.000%	255,000				
			08/01/27	5.000%	265,000			230,000	760,000
						990,000			
New Jersey Environmental Infrastructure Trust - Fund Loan Series 2018A-1	05/22/18	\$ 6,538,469	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				
			08/01/27	0.000%	139,803			676,393	1,718,053
						2,394,446			

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE

NOVEMBER 30, 2024

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	Date	Amount							
New Jersey Environmental Infrastructure Trust - Trust Loan Series 2022A-2	12/22/22	\$ 3,905,000	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		65,000	3,840,000

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2024

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	Date	Amount							
New Jersey Environmental Infrastructure Trust - Fund Loan Series 2022A-2	12/22/22	\$ 4,252,548	02/01/25	0.000%	47,782				
			08/01/25	0.000%	95,563				
			02/01/26	0.000%	47,781				
			08/01/26	0.000%	95,563				
			02/01/27	0.000%	47,782				
			08/01/27	0.000%	95,563				
			02/01/28	0.000%	47,781				
			08/01/28	0.000%	95,563				
			02/01/29	0.000%	47,782				
			08/01/29	0.000%	95,563				
			02/01/30	0.000%	47,781				
			08/01/30	0.000%	95,563				
			02/01/31	0.000%	47,782				
			08/01/31	0.000%	95,563				
			02/01/32	0.000%	47,781				
			08/01/32	0.000%	95,563				
			02/01/33	0.000%	47,782				
			08/01/33	0.000%	95,563				
			02/01/34	0.000%	47,781				
			08/01/34	0.000%	95,563				
			02/01/35	0.000%	47,782				
			08/01/35	0.000%	95,563				
			02/01/36	0.000%	47,781				
			08/01/36	0.000%	95,563				
			02/01/37	0.000%	47,782				
			08/01/37	0.000%	95,563				
			02/01/38	0.000%	47,781				
			08/01/38	0.000%	95,563				
			02/01/39	0.000%	47,782				
			08/01/39	0.000%	95,563				

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2024

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	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				
						4,156,985		143,344	4,013,641

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2024

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	Date	Amount							
Solid Waste Revenue Bonds Series 2021	08/17/21	\$ 5,375,000	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				
						5,315,000		110,000	5,205,000

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2024

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	Date	Amount							
New Jersey Infrastructure Bank - Trust Loan Series 2023A-W1/C-W1	12/15/23	\$ 17,576,126	08/01/25	5.000%	405,000				
			08/01/26	5.000%	425,000				
			08/01/27	5.000%	706,521				
			08/01/28	5.000%	735,445				
			08/01/29	5.000%	769,389				
			08/01/30	5.000%	798,355				
			08/01/31	5.000%	832,441				
			08/01/32	5.000%	871,552				
			08/01/33	5.000%	910,590				
			08/01/34	5.000%	949,652				
			08/01/35	5.000%	988,739				
			08/01/36	3.030%	1,032,950				
			08/01/37	3.030%	1,063,499				
			08/01/38	3.030%	1,092,973				
			08/01/39	3.030%	1,126,340				
			08/01/40	3.030%	1,163,468				
			08/01/41	3.030%	1,199,221				
			08/01/42	3.030%	1,233,557				
			08/01/43	3.030%	1,271,434				
							17,576,126		17,576,126

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2024

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	Date	Amount							
New Jersey Environmental Infrastructure Bank - Fund Loan Series 2023A-W1/C-W1	12/15/23	\$ 14,464,074	02/01/25	0.000%	321,715				
			08/01/25	0.000%	643,430				
			02/01/26	0.000%	321,715				
			08/01/26	0.000%	643,430				
			02/01/27	0.000%	239,115				
			08/01/27	0.000%	478,230				
			02/01/28	0.000%	239,115				
			08/01/28	0.000%	478,230				
			02/01/29	0.000%	239,115				
			08/01/29	0.000%	478,230				
			02/01/30	0.000%	239,115				
			08/01/30	0.000%	478,230				
			02/01/31	0.000%	239,115				
			08/01/31	0.000%	478,230				
			02/01/32	0.000%	239,115				
			08/01/32	0.000%	478,230				
			02/01/33	0.000%	239,115				
			08/01/33	0.000%	478,230				
			02/01/34	0.000%	239,115				
			08/01/34	0.000%	478,230				
			02/01/35	0.000%	239,115				
			08/01/35	0.000%	478,230				
			02/01/36	0.000%	239,115				
			08/01/36	0.000%	478,230				
			02/01/37	0.000%	239,115				
			08/01/37	0.000%	478,230				
			02/01/38	0.000%	239,115				
			08/01/38	0.000%	478,230				

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2024

Description	Original Issue		Date	Interest Rate	Amount	Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	Date	Amount							
New Jersey Environmental Infrastructure Bank - Fund Loan Series 2023A-W1/C-W1 (cont.)			02/01/39	0.000%	239,115				
			08/01/39	0.000%	478,230				
			02/01/40	0.000%	239,115				
			08/01/40	0.000%	478,230				
			02/01/41	0.000%	239,115				
			08/01/41	0.000%	478,230				
			02/01/42	0.000%	239,115				
			08/01/42	0.000%	478,230				
			02/01/43	0.000%	239,115				
			08/01/43	0.000%	338,919		14,464,074	478,230	13,985,844
GRAND TOTAL						16,761,431	32,040,200	1,702,967	47,098,664
						1,224,738			2,609,883
						15,536,693			44,488,781
						16,761,431			47,098,664

Current Portion
Long-Term Portion

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

OTHER SEWER COMPANIES
STATEMENT OF NET POSITION
FOR THE YEAR ENDED NOVEMBER 30, 2024

	<u>Frankford Township</u>	<u>Luke/ Lovey's</u>	<u>Montague Sewer Co.</u>	<u>Sparta Plaza</u>	<u>Total</u>
<u>Assets:</u>					
Cash and Cash Equivalents	<u>4,123</u>	<u>2</u>	<u>461</u>	<u>60</u>	<u>4,646</u>
Total Assets	<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>
<u>Liabilities And Net Position:</u>					
Escrow Deposits Payable	<u>4,123</u>	<u>2</u>	<u>461</u>	<u>60</u>	<u>4,646</u>
Total Liabilities And Net Position	<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, 2024

	<u>Unrestricted</u>	<u>Invested in Capital Assets</u>	<u>Restricted</u>		<u>Total</u>
			<u>Renewal and Replacement</u>	<u>Debt Service</u>	
Operating Revenue:					
User Charges	758,000				758,000
Interest on Investments	17,655		7,260	4,717	29,632
Connection Fees	8,859				8,859
	<u>784,514</u>	<u>-</u>	<u>7,260</u>	<u>4,717</u>	<u>796,491</u>
Operating Expenses:					
Operating, Maintenance and Reserves	394,627				394,627
Depreciation		339,244			339,244
	<u>394,627</u>	<u>339,244</u>	<u>-</u>	<u>-</u>	<u>733,871</u>
Operating Income	389,887	(339,244)	7,260	4,717	62,620
Non-Operating Revenue/(Expenses):					
Budget Appropriation			120,000		120,000
Interest Expense	(179,968)				(179,968)
Income/(Loss) Before Contributions and Transfers	209,919	(339,244)	127,260	4,717	2,652
Transfers:					
Other	2,945			(2,945)	-
Capital Expenditures	(21,015)	21,015			-
Bond Principal Payment	(136,677)	136,677			-
Increase (Decrease) in Net Position	55,172	(181,552)	127,260	1,772	2,652
Net Position - December 1,	<u>454,330</u>	<u>3,903,371</u>	<u>145,594</u>	<u>67,898</u>	<u>4,571,193</u>
Net Position - November 30,	<u>509,502</u>	<u>3,721,819</u>	<u>272,854</u>	<u>69,670</u>	<u>4,573,845</u>
 Designated	 45,000				
Undesignated	<u>464,502</u>				
	<u>509,502</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, 2024

	Depository Account	Revenue Fund	Operating Fund	Bond Service Fund	Renewal & Replacement Fund	Total
Cash, Cash Equivalents and Investments- December 1, 2023	5,000	400,584	47,335	163,793	145,594	762,306
Cash Receipts:						
Interest on Investments		17,655		4,717	7,260	29,632
User Charges	758,000					758,000
Connection Fees	8,859					8,859
Budget Appropriation					120,000	120,000
Other	2,144					2,144
Transfers		769,003	745,005	318,416		1,832,424
Total Cash Receipts	769,003	786,658	745,005	323,133	127,260	2,751,059
Total Cash And Investments Available	774,003	1,187,242	792,340	486,926	272,854	3,513,365
Cash Disbursements:						
Expenses			426,589			426,589
Principal Payments			136,676			136,676
Interest Payments			181,740			181,740
Transfers	769,003	745,005		318,416		1,832,424
Total Cash Disbursements	769,003	745,005	745,005	318,416	-	2,577,429
Cash, Cash Equivalents and Investments- November 30, 2024	5,000	442,237	47,335	168,510	272,854	935,936
Analysis of Balance:						
Unrestricted	5,000	442,237	47,335	9,302	-	503,874
Restricted	-	-	-	159,208	272,854	432,062
	5,000	442,237	47,335	168,510	272,854	935,936
Cash and Cash Equivalents	5,000	442,237	47,335	168,510	272,854	935,936
Investments	-	-	-	-	-	-
	5,000	442,237	47,335	168,510	272,854	935,936

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, 2024
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED NOVEMBER 30, 2023

	<u>FY 2024</u> <u>Budget</u>	<u>FY 2024</u> <u>Budget After</u> <u>Modification</u>	<u>FY 2024</u> <u>Actual</u>	<u>FY 2023</u> <u>Actual</u>
Revenue:				
Net Position Utilized	45,000	45,000	45,000	40,000
User Charges	758,000	758,000	758,000	674,500
Interest on Investments and Deposits	2,600	2,600	29,632	22,963
Connection Fees	10,000	10,000	8,859	4,652
Total Operating Revenue	<u>815,600</u>	<u>815,600</u>	<u>841,491</u>	<u>742,115</u>
Expenses:				
Operating and Maintenance				
(1) Engineering and Consulting Services	14,000	14,000	45	
(2) Legal Fees	2,300	2,300		
(3) Indirect Administration, Legal and Fiscal Expenses	65,400	65,400	54,423	57,456
(4) Trustee and Banking Fees	1,500	1,500	1,800	1,800
(6) Insurance	12,200	12,200	12,123	11,375
(7) Printing Expenses	200	200		
(8) Safety Equipment	500	500	431	359
(9) Chemicals	2,000	2,000	1,065	799
(10) Laboratory Supplies	2,000	2,000	210	388
(11) Plant Supplies	500	500	56	66
(12) Testing Services	1,700	1,700	675	780
(13) Outside Services	26,800	26,800	23,019	20,949
(14) Utilities	57,500	57,500	53,853	50,928
(15) Motor Vehicles and Equipment	200	200	162	163
(16) Equipment/Stationary	18,000	18,000	7,107	10,340
(17) Electrical and Mechanical Equipment Repair	3,000	3,000	440	380
(18) Payment to Upper Wallkill for Operating and Maintenance Services	106,300	106,300	106,300	98,600
(19) Taxes and Fees	13,000	13,000	12,918	9,763
Total Operating and Maintenance Expenses	<u>327,100</u>	<u>327,100</u>	<u>274,627</u>	<u>264,146</u>
Capital Outlays	<u>50,000</u>	<u>50,000</u>	<u>21,015</u>	<u>37,310</u>
Reserves:				
Renewal and Replacement	120,000	120,000	120,000	70,000
Debt Service:				
Principal	138,500	138,500	138,500	135,000
Interest	180,000	180,000	179,968	183,488
	<u>318,500</u>	<u>318,500</u>	<u>318,468</u>	<u>318,488</u>
	<u>815,600</u>	<u>815,600</u>	<u>734,110</u>	<u>689,944</u>
Excess or (Deficit) in Actual Revenues and Expenses			107,381	52,171
Reconciliation of Budgetary Basis To				
Change In Net Position:				
Net Position Utilized			(45,000)	(40,000)
Budget Appropriation - Renewal and Replacement			120,000	70,000
Depreciation			(339,244)	(337,025)
Capital Outlay			21,015	37,310
Debt Service Principal			138,500	135,000
			<u>(104,729)</u>	<u>(134,715)</u>
Change in Net Position			<u>2,652</u>	<u>(82,544)</u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULNSKILL WATER RECLAMATION SYSTEM

SCHEDULE OF USDA LOANS PAYABLE

NOVEMBER 30, 2024

Description	Original Issue		Interest Rate	Maturities		Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	Date	Amount		Date	Amount				
United States Department of Agriculture - Rural Development Loan No. 1	09/20/16	\$ 5,496,000	2.750%	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

PAULINSKILL WATER RECLAMATION SYSTEM
SCHEDULE OF USDA LOANS PAYABLE

NOVEMBER 30, 2024

Description	Original Issue		Interest Rate	Maturities		Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	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				
									4,945,455

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULINSKILL WATER RECLAMATION SYSTEM

SCHEDULE OF USDA LOANS PAYABLE

NOVEMBER 30, 2024

Description	Original Issue		Interest Rate	Maturities		Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	Date	Amount		Date	Amount				
United States Department of Agriculture - Rural Development Loan No. 3	09/20/16	\$ 757,000	2.250%	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, 2024

Description	Original Issue		Interest Rate	Maturities		Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	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				
						673,459		13,966	659,493

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULINSKILL WATER RECLAMATION SYSTEM

SCHEDULE OF USDA LOANS PAYABLE

NOVEMBER 30, 2024

Description	Original Issue		Interest Rate	Maturities		Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	Date	Amount		Date	Amount				
United States Department of Agriculture - Rural Development Loan No. 5	09/20/16	\$ 1,572,000	2.250%	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	17,243				
				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				
				06/01/39	20,394				
				12/01/39	20,623				
				06/01/40	20,855				
				12/01/40	21,090				

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULNSKILL WATER RECLAMATION SYSTEM
SCHEDULE OF USDA LOANS PAYABLE

NOVEMBER 30, 2024

Description	Original Issue		Interest Rate	Maturities		Balance Dec. 1, 2023	Issued	Refunded or Paid	Balance Nov. 30, 2024
	Date	Amount		Date	Amount				
United States Department of Agriculture - Rural Development Loan No. 5 (continued)	09/20/16	\$ 1,572,000	2.250%	06/01/41	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				
						1,398,540		28,997	1,369,543
						7,017,454	-	136,677	6,880,777
GRAND TOTAL									
						136,677			140,244
						6,880,777			6,740,533
						7,017,454			6,880,777
						Current Portion			
						Long-Term Portion			

Current Portion
Long-Term Portion

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, 2024

Cash, Cash Equivalents and Investments- December 1, 2023	357,448
Cash Receipts:	
Operating Grants	272,009
Other Receipts	<u>126,094</u>
Total Cash Receipts	<u>398,103</u>
Total Cash And Investments Available	<u>755,551</u>
Cash Disbursements:	
Project Expenses	<u>531,122</u>
Total Cash Disbursements	<u>531,122</u>
Cash, Cash Equivalents and Investments- November 30, 2024	<u><u>224,429</u></u>
Analysis of Balance:	
Unrestricted	224,429
Restricted	<u>-</u>
	<u><u>224,429</u></u>
Cash and Cash Equivalents	224,429
Investments	<u>-</u>
	<u><u>224,429</u></u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2024

	<u>Administrative Services</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	597,584
Prepaid Expenses	<u>5,577</u>
Total Current Assets	<u>603,161</u>
Restricted Assets	
Cash and Cash Equivalents	282,732
Investments	<u>398,858</u>
Total Noncurrent Assets	<u>681,590</u>
Total Assets	<u>1,284,751</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	8,427
Payroll Taxes Payable	6,566
Due to Other Funds	<u>588,168</u>
Total Current Liabilities	<u>603,161</u>
Total Liabilities	<u>603,161</u>
NET POSITION	
Restricted:	
Reserve for Unemployment Insurance	<u>681,590</u>
Total Net Position	<u><u>681,590</u></u>

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, 2024

	<u>Administrative Services</u>
Operating Revenues:	
User Charges	1,635,194
Interest Income	2,191
Unemployment Contributions	<u>9,048</u>
 Total Operating Revenue	 <u>1,646,433</u>
 Operating Expenses:	
Administrative and General Expenses	1,635,194
Unemployment Claims	<u>1,057</u>
 Total Operating Expenses	 <u>1,636,251</u>
 Operating Income	 <u>10,182</u>
 Net Position - Beginning	 <u>671,408</u>
 Net Position - Ending	 <u><u>681,590</u></u>

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2024

	<u>Administrative Services</u>
Cash Flows From Operating Activities:	
Cash Received from Users	1,635,194
Other Operating Receipts	9,048
Interest Received	2,191
Cash Paid to Employees	(789,339)
Cash Paid for Employee Benefits	(534,016)
Cash Paid to Suppliers and Professional contractors	<u>(21,030)</u>
Net Cash Provided/(Required) By Operating Activities	<u>302,048</u>
Cash Flows From Investing Activities:	
Sales (Purchases) of Investments	<u>(1,454)</u>
Net Cash Provided/(Required) By Investing Activities	<u>(1,454)</u>
Increase/(Decrease) In Cash And Cash Equivalents	300,594
Cash And Cash Equivalents - December 1,	<u>579,722</u>
Cash And Cash Equivalents - November 30,	<u><u>880,316</u></u>
Classified As:	
Unrestricted Assets	597,584
Restricted Assets	<u>282,732</u>
	<u><u>880,316</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	10,182
Items Affecting Cash from Operations:	
Decrease / (Increase) in:	
Prepaid Expenses	(336)
Increase / (Decrease) in:	
Accounts Payable and Accrued Liabilities	4,114
Due to Other Funds	<u>288,088</u>
Net Cash Provided/(Required) by Operating Activities	<u><u>302,048</u></u>

Single Audit Section

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WIELKOTZ & COMPANY, P.C.

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, 2024, and the related notes to the financial statements, and have issued our report thereon dated October 8, 2025.

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 2024-001.

Sussex County Municipal Utilities Authority Response to Findings

Sussex County Municipal Utilities Authority's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Sussex County Municipal Utilities Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 8, 2025



WIELKOTZ & COMPANY ^{CPA}

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, 2024. 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, 2024.

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.

Wielkatz & Company, LLC

WIELKOTZ & COMPANY, LLC

Certified Public Accountants

Pompton Lakes, New Jersey

October 8, 2025



SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Expenditures of Federal Awards
Fiscal Year Ended November 30, 2024

Federal Grantor/Pass-Through Grantor/Program	Federal AL 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
U.S. Environmental Protection Agency: Pass Through New Jersey Department of Environmental Protection: Clean Water State Revolving Funds Cluster: Capitalization Grants for Clean Water State Revolving Funds										
NIDEF Loan	66.458	S342008-06	\$ 17,895,544	12/01/20	09/30/24	17,351,453	248,538	17,599,991	17,406,907	488,637
NIDER Loan	66.458	S342008-07	\$ 2,695,786	12/01/23	11/30/24	-	1,127,474	1,127,474	-	1,954,151
Total for Program						17,351,453	1,376,012	18,727,465	17,406,907	2,442,788
Performance Partnership Grants: Imp. Of Sussex County Restoration and Stewardship Initiative										
	66.605	042-4801-100-442	\$ 800,000	10/01/17	11/30/24	720,000	-	720,000	654,100	115,108
Priority Watershed WBP/TMDL Implementation - Upper Paulinskill										
	66.605	042-4801-100-442	\$ 42,724	10/31/20	06/30/25	42,724	-	42,724	42,724	-
Priority Watershed WBP/TMDL Implementation - Climate & Community Resiliency in the Populating Creek and Clove Brook Watersheds										
Total for Program	66.605	042-4801-100-442	\$ 609,435	05/09/23	07/03/26	182,830	-	182,830	17,614	78,979
						945,554	-	945,554	714,438	194,087
Total Environmental Protection Agency						18,297,007	1,376,012	19,673,019	18,121,345	2,636,875
U.S. Department of Agriculture: Natural Resources Conservation Service:										
Soil and Water Conservation	10.902	N/A	\$ 334,649	08/06/21	07/31/24	179,152	127,046	306,198	227,882	106,767
Total for Program						179,152	127,046	306,198	227,882	106,767
Total Department of Agriculture						179,152	127,046	306,198	227,882	106,767
U.S. Department of the Interior - National Fish and Wildlife Foundation: Pass Through The Nature Conservancy: Building Awareness of Green Infrastructure Phase I										
	15.663	N/A	\$ 278,023	05/01/19	11/15/24	249,603	28,420	278,023	249,603	28,420
Community Driven Wetland Restoration in the Upper Paulinskill Watershed										
	15.663	N/A	\$ 70,116	10/01/20	07/31/24	63,088	-	63,088	63,088	7,028
Ecological Uplift of the Former Culver Lake Golf Course										
Total for Program	15.663	N/A	\$ 224,826	03/01/24	03/01/26	-	-	-	-	14,975
						312,691	28,420	341,111	312,691	50,423
Total Department of the Interior						312,691	28,420	341,111	312,691	50,423
Total Expenditures of Federal Awards						18,788,850	1,531,478	20,320,328	18,661,918	2,794,065
										21,455,983

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Expenditures of State Financial Assistance
Fiscal Year Ended November 30, 2024

State Grantor/Pass-Through Grantor/Program	Pass Through Entity ID No.	State Account Number	Program Amount	Grant Period		Prior Years	Cash Received		Program Expenditures	
				From	To		Current Year	Total	Prior Years	Current Year
<u>New Jersey Department of Environmental Protection:</u>										
NJ Infrastructure Bank NJTB Trust Loan NJTB Trust Loan	S342008-06		\$ 14,464,074	12/01/20	11/30/24	14,078,142	284,060	14,362,202	14,204,640	259,434
	S342008-07		2,695,786	12/01/23	11/30/24	-	1,127,475	1,127,475	-	1,954,151
						14,078,142	1,411,535	15,489,677	14,204,640	2,213,585
Priority Watershed WBP/TMDL Implementation - Upper Paulinskil	N/A	100-4830-100-099	\$ 147,276	10/31/20	06/30/25	71,276	57,000	128,276	80,851	53,498
Recycling Enhancement Act Tax Fund (2022)	N/A	042-4910-100-224	\$ 162,000	06/01/22	05/31/23	-	-	-	162,000	-
Recycling Enhancement Act Tax Fund (2023)	N/A	042-4910-100-224	\$ 162,000	06/01/23	05/31/24	-	-	-	-	162,000
Recycling Enhancement Act Tax Fund (2024)	N/A	042-4910-100-224	\$ 162,000	06/01/24	05/31/25	-	-	-	-	-
						-	-	-	162,000	162,000
						-	-	-	-	-
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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

**NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS**

NOVEMBER 30, 2024

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>\$2,794,065</u>	<u>\$2,429,083</u>	<u>\$5,223,148</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.

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Schedule of Findings and Questioned Costs

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SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2024

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 | <u> X </u> no |
| 2) Significant deficiency(ies) identified that are not considered to be material weaknesses reported? | _____ yes | <u> X </u> 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 | <u> X </u> no |
| 2) Significant deficiencies identified that are not considered to be material weaknesses reported? | _____ yes | <u> X </u> 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>
<u>66.458</u>	<u>Capitalization Grants - Clean Water State Revolving Funds</u>
_____	_____
_____	_____
_____	_____

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, 2024**

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>
N/A _____	New Jersey Infrastructure Bank Trust Loan _____
_____	_____
_____	_____
_____	_____

**SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2024**

Section II--Financial Statement Findings

2024-001:

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 continues 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, 2024**

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, 2024**

Status of Prior Year Findings

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

Partially corrected items:

2023-001

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.

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General Comments

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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, 2024

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.

Wielkatz & Company, LLC

WIELKOTZ & COMPANY, LLC

Certified Public Accountants

Pompton Lakes, New Jersey

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