REPORT OF AUDIT
SUSSEX COUNTY
MUNICIPAL UTILITIES AUTHORITY
NOVEMBER 30, 2025

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

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Introductory Section

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
ROSTER OF OFFICIALS
NOVEMBER 30, 2025

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
Sills, Cummis & Gross, P.C.	Special Counsel
Archer & Greiner, P.C.	Bond Counsel
US Bank	Trustee
Wielkotz & Company, LLC	Auditors

Surety Company

Commissioners and the Authority Treasurer listed above are covered by Public Officials Legal Liability Policy in the amount of $5,000,000 issued by Statewide Insurance Fund, Policy No. G25606796 for the period January 1, 2025 to January 1, 2026.

Financial Section

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, 2025 and 2024, 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, 2025 and 2024, 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 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

W&Co

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2026 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 the effectiveness of the Sussex County Municipal Utilities Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sussex County Municipal Utilities Authority's internal control over financial reporting and compliance.

Wielkotz & Company, LLC

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

October 13, 2026

Management Discussion and Analysis

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

As management of the Sussex County Municipal Utilities Authority, we offer the Authority's financial statements this narrative overview and analysis of the Authority's financial performance during the fiscal year ended November 30, 2025 and 2024. 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 $3,204,287 (net position) for the fiscal year reported. This compares to the previous year when liabilities exceeded assets by $1,949,144.

- Total net position are comprised of the following:

  (1) Net Investment in Capital Assets, of $4,229,503 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 $4,873,971 are restricted by constraints imposed from outside the Authority such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $(5,899,187) represent the portion available to maintain the Authority's continuing obligations to citizens and creditors.

- Total liabilities of the Authority decreased by $7,152,311 to $144,306,651 during the fiscal year primarily due to decreases in the Authority's loans payable and net pension and OPEB liabilities.

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.

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.

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 $3,204,287. This is a $1,255,143 increase over last year's net position of $1,949,144. A summary of the Authority's statement of net position is presented in the following table:

Condensed Statement of Net Position
(000's)

	FY 2025	FY 2024	Dollar Change	Percent Change	FY 2023
Current and Other Assets	58,898	60,821	(1,923)	(3.16)%	57,703
Capital Assets	90,186	92,761	(2,575)	(2.78)%	91,070
Deferred Outflows of Resources	8,823	10,195	(1,372)	(13.46)%	9,982
Total Assets and Deferred Outflows	(157,907)	163,777	(5,870)		158,755
Long-term Debt Outstanding	88,582	92,938	(4,356)	(4.69)%	91,598
Other Liabilities	55,725	58,521	(2,796)	(4.78)%	56,559
Deferred Inflows of Resources	10,396	10,369	27	.26%	12,150
Total Liabilities and Deferred Inflows	154,703	161,828	(7,125)		160,307
Net Investment In Capital Assets	4,229	2,945	1,284	43.60%	1,611
Restricted	4,874	3,306	1,568	47.43%	1,671
Unrestricted	(5,899)	(4,302)	(1,597)	37.12%	(4,834)
	3,204	1,949	1,255	64.39%	(1,552)

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 $1,255,143.

Net Position (Continued)

Condensed Statement of Net Position
(000's)

	FY 2025	FY 2024	Dollar Change	Percent Change	FY 2023
Operating Revenues	28,113	28,060	53	.19%	25,417
Non-Operating Revenues	2,750	3,281	(531)	(16.18)%	1,239
Total Revenues	30,863	31,341	(478)		26,656
Depreciation Expense	6,173	6,057	116	1.91%	5,312
Other Operating Expenses	19,263	17,544	1,719	9.80%	16,259
Other Non-Operating Expense	4,172	4,239	(67)	(1.58)%	7,564
Total Expenses	29,608	27,840	1,768		29,135
Contributions	-0-	-0-	-0-	-0-	-0-
Change in Net Position	1,255	3,501	(2,246)		(2,479)
Net Position December 1	1,949	(1,552)	3,501	(225.58)%	927
Ending Net Position	3,204	1,949	1,255	64.39%	(1,552)

The Authority's Operating Revenues increased by $53,680 to $28,113,068 in 2025 from $28,059,388 in 2024 primarily due to increases in user charges, tipping fees and operating grants. Nonoperating Revenues decreased by $531,277 to $2,750,027 from $3,281,304 mainly due to decreases in net cell closure revenues and gains on disposals and equipment. Non-operating expenses decreased by $66,870 to $4,172,037 primarily due to decreases in interest expense and debt issuance costs.

Budgetary Highlights

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

The following table provides a 2025 and 2024 budget comparison:

Budget vs. Actual
FY 2025
(000's)

	Budget	Actual	Variance
Revenues:			
Operating	26,330	26,597	267
Non-Operating	479	1,307	828
	26,809	27,904	1,095
Expenses:			
Operating	18,792	15,240	3,552
Non-Operating	8,017	7,829	188
	26,809	23,069	3,740
Income Before Depreciation and Capital Contributions		4,835	4,835

Budget vs. Actual
FY 2024
(000's)

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

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.

The following are charts for various system service charges calculated for FY 2025:

Hampton Commons Facility

a. Hampton Commons FY2025 Budget $351,000

b. Investment Earnings

Earnings on Fund Balances			
R&R Fund	$38,600		
Operating Fund	215,500		
Average Fund Balance	$254,100		
Estimated Interest Rate	%0.25		
Projected Investment Earnings		$3,000	
c. Appropriation from Retained Earnings		$36,000	
Total Amount of Other Revenues			$39,000
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:

	GPD	%		Estimated FY25 Annual Charge
Hampton Common Homeowners Assoc.	32,000	82.05%	$312,000	$256,000
Township of Hampton	7,000	17.95%	$312,000	56,000
	39,000	100.00%		$312,000

Calculations of HCHA per Unit charge

$$\frac{\text{D/S \& O\&M Expenses}}{\text{Units}} = \text{FY2025 Estimated User Charges}$$

$$\frac{\$256,000}{300} = \$853 \text{ per unit}$$

Solid Waste Facilities

Tipping Fee Calculation/Analysis:			$15,194,000
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			2,209,000
Amount to be raised by Tipping Fees			$12,985,000

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

$$\frac{\text{Revenues Necessary from Tip Fee}}{\text{Est. FY2025 Tonnage}} = \frac{\$12,985,000}{110,000} = \boxed{\textbf{\$118.05}}\ \textbf{per ton}$$

Upper Wallkill Facilities

Allocation of Debt Service of Sewer Users (General Charges)

Participant	GPD		FY2026 Projections	% of Total	FY2026 Gen. Charge
Hamburg Borough	241,000	Actual	$87,965,000	11.67%	$122,852
Franklin Borough	447,000	Actual	163,155,000	21.64%	227,863
Wallkill Sewer Co.	96,000	Actual	35,040,000	4.65%	48,937
HTMUA	267,000	actual(a)	97,455,000	12.93%	136,106
Sussex Borough	312,000	GMF	113,880,000	15.11%	159,045
Wantage Twp.	36,500	GMF	13,322,500	1.77%	18,606
Sparta Twp.	461,000	GMF	74,825,000	9.92%	104,501
Vernon Twp.	461,000	GMF	168,265,000	22.32%	235,000
	2,065,500		$753,907,500	100.00%	$1,052,911

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

Participant	GPD		FY2026 Projections	% of Total	FY2026 O&M Charge
Hamburg Borough	241,000	Actual	$87,965,000	11.26%	$575,269
Franklin Borough	447,000	Actual	163,155,000	20.88%	1,066,994
Wallkill Sewer Co.	96,000	Actual	35,040,000	4.48%	229,153
HTMUA	311,000	GMF/ GMF(b)	113,515,000	14.53%	742,360
Sussex Borough	312,000	GMF	113,880,000	14.57%	744,747
Wantage Twp.	63,000	GMF	22,995,000	2.94%	150,382
Sparta Twp.	210,000	GMF	76,650,000	9.81%	501,272
Vernon Twp.	461,000	GMF	168,265,000	21.53%	1,100,412
	2,141,000		$781,465,000	100.00%	$5,110,589

(a) Debt Service – HTMUA/WVRHS Actual. YMCA 8,000 GMF
(b) O&M Charges – HTMUA GMF (302,000 gpd) + YMCA Actual 5,000 gpd) + WVRHS Actual (4,000 gpd)

FY2025 Estimated Total Sewer User Charges

Participant		General Charge	Operating Charge	Proj. FY2026 User Charge	FY2025 Estimated User Charge	% Change
Hamburg Borough		$122,852	$575,269	$698,122	$661,568	5.5%
Franklin Borough		227,863	1,066,994	1,294,857	1,214,306	6.6%
Wallkill Sewer Co.		48,937	229,153	278,090	266,345	4.4%
HTMUA		136,106	742,360	878,466	868,678	1.1%
Sussex Borough		159,045	744,747	903,793	893,546	1.1%
Wantage Twp.		18,606	150,382	168,988	166,406	1.6%
Sparta Twp.		104,501	501,272	605,773	598,780	1.2%
Vernon Twp.	(A)	1,760,000	1,100,412	2,860,411	2,845,271	0.5%
Comparison all system users		$2,577,911	$5,110,589	$7,688,500	$7,514,900	2.3%

(A) Added in Vernon Additional Bonds $1,525,000, will not increase for FY 2025.

Note: Due to system calculations, rounding error may occur

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

$$\frac{\$6,163,500}{753,907,500} = 0.00818 \times 1,000 \quad \$8.18$$

Paulinskill Facility – FY2025

a. Paulinskill Facility Proposed FY 2025 Budget

Debt Service	$318,500	
O&M	$565,500	
Total Budget		$884,000

b. Investment Earnings $4,600

c. Appropriation from Retained Earnings $45,000

d. Connection Fees $10,000

Connection Fee Calculation:

Debt Service Paid:	FY17	$318,416 audited
	FY18	$318,416 audited
	FY19	$318,416 audited
	FY20	$318,416 audited
	FY21	$318,416 audited
	FY22	$318,417 audited
	FY23	$318,500 audited
	FY24	$318,500 unaudited
Total D/S Paid		$2,547,497

Total Number of EDU's in Paulinskill System 754.72

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

Total Amount of Other Revenues $59,600

e. Amount to be Raised by User Charges $824,400

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)

	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	68.00	210	14,280	9.01%	$ 28,697	$ 45,672	$ 74,368
	754.72		158,491	100.00%	$318,500	$504,500	$823,400

Calculation of Branchville Borough's Est. FY2025 per EDU Charge

$$\frac{\text{D/S \& O\&M Expenses}}{\text{Units}} = \text{FY2024 Estimated User Charges}$$

$$\frac{\$751{,}942}{686.72 \text{ EDU's}} = \boxed{\$1{,}095} \text{ per unit}$$

Calculation of Frankford Township's Est. FY2025 per EDU Charge

$$\frac{\text{D/S \& O\&M Expenses}}{\text{Units}} = \text{FY2024 Estimated User Charges}$$

$$\frac{\$74{,}458}{68 \text{ EDU's}} = \boxed{\$1{,}095} \text{ per unit}$$

Capital Assets

	FY 2025	FY 2024	Dollar Change	FY 2023
Land	3,834	3,834	-0-	3,834
Improvements	127,911	126,983	128	126,558
Buildings	69,453	69,362	91	67,856
Machinery and Equipment	25,891	26,522	(631)	26,444
Total Property, Plant and Equipment	226,289	226,701	(412)	224,692
Less: Accumulated Depreciation	(144,299)	(140,180)	(4,119)	(135,020)
	81,990	86,521	(4,531)	89,672
Construction in Progress	8,196	6,240	1,956	1,398
Net Property, Plant and Equipment	90,186	92,761	(2,575)	91,070

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 $780,000 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 was 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 Wallkill 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.

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 engineers 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 vactor truck, building improvements, replace mixer and flow meter. The total anticipated capital projects were budgeted at $380,000.

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, 2025, the Authority had $134,798,880 in long term obligations. Of this amount, $761,146 is for compensated absences, $324,949 is for a planning loan from Sussex County, $18,831,009 is the Authority's net OPEB obligation, $6,164,410 is the Authority's net pension obligation, $38,647,176 is for Wastewater bonds and notes payable, $44,488,781 is for Solid Waste program bonds and notes payable, $25,474,829 is for landfill closure and post-closure accrued liabilities, and Financed Purchases of $106,580.

Additionally, the Authority has $5,445,489 in outstanding notes related to construction loans financed through the New Jersey Infrastructure Bank.

Economic Factors, Future Years Budgets and Rates

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

Basic Financial Statements

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINED COMPARATIVE STATEMENTS OF NET POSITION
AS OF NOVEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Unrestricted Current Assets		
Cash and Cash Equivalents	$ 19,986,577	$ 21,661,679
Accounts Receivable (net of allowance for uncollectible)	1,226,672	1,119,541
Prepaid Expenses	54,621	53,530
Due From Homeowners Association	100	12,006
Due From Central Services	494,421	560,457
Due From State of New Jersey	324,000	486,000
Total Unrestricted Current Assets	22,086,391	23,893,213
Restricted Current Assets		
Phase 2 Construction Fund		
Cash and Cash Equivalents	3,594,194	3,690,234
Due From NJ Infrastructure Bank	555,528	3,534,049
Due From Central Services	3,277	12,538
Phase 3 Construction Fund		
Cash and Cash Equivalents	184,997	206,877
Renewal and Replacement Fund		
Cash and Cash Equivalents	4,116,721	3,238,210
Current Debt Service Fund		
Cash and Cash Equivalents	3,489,037	3,497,937
Retained Percentages Account		
Cash and Cash Equivalents	112,844	77,506
Operations		
Cash and Cash Equivalents	5,073,126	4,527,575
Cell Closure Account		
Cash and Cash Equivalents	6,118,702	3,866,305
Due From Central Services	4,695	15,173
Due From Construction Fund		1,089,725
Landfill Postclosure Account		
Cash and Cash Equivalents	178,385	10,788
Investments	12,693,755	12,479,085
Unemployment Trust Fund		
Cash and Cash Equivalents	280,137	282,732
Investments	406,291	398,858
Total Restricted Current Assets	36,811,689	36,927,592
Total Current Assets	58,898,080	60,820,805

See accompanying Notes to the Financial Statements.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINED COMPARATIVE STATEMENTS OF NET POSITION
AS OF NOVEMBER 30, 2025 AND 2024

	2025	2024
Non-Current Assets		
Capital Assets		
Land	3,833,925	3,833,925
Improvements	127,110,704	126,982,427
Buildings	69,453,114	69,362,313
Machinery and Equipment	25,890,846	26,521,670
Accumulated Depreciation	(144,298,750)	(140,179,550)
Construction in Progress	8,196,333	6,240,253
Total Non-Current Assets	90,186,172	92,761,038
Total Assets	149,084,252	153,581,843
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - PERS	296,085	541,134
Deferred Outflows - OPEB	7,735,772	8,782,513
Deferred Loss on Refunding of Debt	791,161	871,728
Total Deferred Outflows of Resources	8,823,018	10,195,375
Total Assets and Deferred Outflows of Resources	$ 157,907,270	$ 163,777,218
LIABILITIES		
Current Liabilities (Payable from Unrestricted Assets)		
Payroll Taxes Payable	$ 9,011	$ 6,566
Accounts Payable	735,923	573,738
Accounts Payable - PERS	685,013	698,647
Due to Other Funds	502,393	588,168
Escrow Deposits	4,646	4,646
Total Current Liabilities Payable from Unrestricted Assets	1,936,986	1,871,765
Current Liabilities (Payable from Restricted Assets)		
Accounts Payable - Construction	403	1,365,372
Retainage Payable	112,844	77,506
Due to Cell Closure - Construction Fund		1,089,725
Bonds and Loans Payable - Current Portion	5,698,786	5,640,127
Construction Loan Payable - NJ Infrastructure Bank	5,445,489	5,445,489
Financed Purchases	106,580	102,389
Accrued Interest on Bonds and Loans	2,012,049	1,964,857
Total Current Liabilities Payable from Restricted Assets	13,376,151	15,685,465
Total Current Liabilities	15,313,137	17,557,230

See accompanying Notes to the Financial Statements.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINED COMPARATIVE STATEMENTS OF NET POSITION
AS OF NOVEMBER 30, 2025 AND 2024

	2025	2024
Non-Current Liabilities		
Net Pension Liability - PERS	6,164,410	6,976,633
Net OPEB Liability	18,831,009	19,785,159
Planning Loan - County of Sussex	324,949	324,949
Accrued Liabilities - Closure and Postclosure Costs	25,474,829	24,135,191
Accrued Liabilities - Compensated Absences	761,146	720,569
Financed Purchases		106,580
USDA Loans Payable	6,596,630	6,740,533
NJEIT Loans Payable	36,863,899	39,398,781
Revenue and Refunding Bonds Payable	33,976,642	35,713,337
Total Non-Current Liabilities	128,993,514	133,901,732
Total Liabilities	144,306,651	151,458,962
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - PERS	828,096	577,176
Deferred Inflows - OPEB	7,495,788	7,588,067
Bond Premiums - Net	2,072,448	2,203,869
Total Deferred Inflows of Resources	10,396,332	10,369,112
Total Liabilities and Deferred Inflows of Resources	154,702,983	161,828,074
NET POSITION		
Net Investment in Capital Assets	4,229,503	2,945,313
Restricted For:		
Debt Service	1,476,988	1,533,080
Renewal and Replacement	4,116,721	3,238,210
Operations	5,073,126	4,527,575
Landfill Cell Closure/Postclosure	(6,479,292)	(6,674,115)
Unemployment Trust	686,428	681,590
Unrestricted		
Designated	4,926,339	2,805,354
Undesignated	(10,825,526)	(7,107,863)
Total Net Position	$ 3,204,287	$ 1,949,144

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, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
User Charges	$ 10,663,548	$ 10,176,094
Treatment of Sludge, Septage and Leachate	1,545,079	1,580,086
Operating and Maintenance Charges - Municipal	239,400	207,400
Tipping Fees	13,269,918	13,025,752
Recycling Markets	230,863	289,817
Connection Fees	259,562	630,944
Operating Grants	444,056	433,807
Finance Charges	44,061	47,476
Interest	963,763	1,260,199
Miscellaneous	452,818	407,813
Total Operating Revenues	28,113,068	28,059,388
OPERATING EXPENSES		
Administration, Operating, Maintenance and Reserves	19,249,803	17,542,921
Other	12,748	1,057
Depreciation	6,173,364	6,056,713
Total Operating Expenses	25,435,915	23,600,691
OPERATING INCOME (LOSS)	2,677,153	4,458,697
NON-OPERATING REVENUES (EXPENSES)		
Interest on Investments	414,172	379,701
Budget Appropriation - Renewal and Replacement	935,000	600,000
Budget Appropriation - Future Debt Service	750,000	350,000
Budget Appropriation - Cell Closure	600,000	600,000
Budget Appropriation - Vernon Rate Stabilization		4,831
Interest Expense	(1,382,592)	(1,660,185)
Lease Interest	(8,555)	(50,580)
Accreted Interest on Capital Appreciation Bonds	(1,283,305)	(1,347,060)
Amortization of Bond Discount, Premiums	50,855	50,855
Investment Expenses	(211,503)	(120,311)

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, 2025 AND 2024

	2025	2024
NON-OPERATING REVENUES (EXPENSES), cont.		
Gain/(Loss) on Disposal of Equipment	(7,768)	149,700
Debt Issuance Costs		(540,831)
Other Non-Operating Expenses	(50,000)	(50,000)
Cell Closure Expenditures (Net)	(145,343)	1,146,217
Postclosure Expenditures (Net)	(1,082,971)	(469,940)
Total Non-Operating Income (Expenses)	(1,422,010)	(957,603)
CHANGE IN NET POSITION	1,255,143	3,501,094
Net Position, December 1,	1,949,144	(1,551,950)
Net Position, November 30,	$ 3,204,287	$ 1,949,144

See accompanying Notes to the Financial Statements.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINED COMPARATIVE STATEMENTS OF CASH FLOWS
AS OF NOVEMBER 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Users	$ 25,841,677	$ 25,287,217
Operating Grants Received	606,056	271,807
Other Operating Receipts	756,441	1,086,233
Interest Received	1,377,935	1,639,900
Cash Paid to Employees	(5,278,882)	(5,026,894)
Cash Paid for Employee Benefits	(3,519,120)	(3,244,777)
Cash Paid to Suppliers and Professional Contractors	(10,597,842)	(9,822,298)
Other Operating Payments	71,802	47,541
Interest Paid	(1,343,955)	(1,438,114)
Net Cash Provided by Operating Activities	7,914,112	8,800,615
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	2,978,521	2,787,547
Premiums Received		886,808
Issuance Costs Paid		(486,914)
Principal Payments on Bonds and Loans	(5,640,126)	(4,724,644)
Net Cash Used for Capital and Related Financing Activities	(2,661,605)	(2,125,746)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(5,047,250)	(8,062,544)
Received from Sale of Assets	18,226	149,700
Vernon Rate Stabilization Appropriation		4,831
Renewal and Replacement Fund	935,000	600,000
Future Debt Service Appropriation	750,000	350,000
Cell Closure Appropriation	600,000	600,000
Investment Expenses	(211,503)	(120,311)
Sales (Purchases) of Investments	(222,103)	(491,964)
Net Cash Provided by Investing Activities	(3,177,630)	(6,970,288)
Net Increase (Decrease) in Cash and Cash Equivalents	2,074,877	(295,419)
Cash and Cash Equivalents, December 1,	41,059,843	41,355,262
Cash and Cash Equivalents, November 30,	$ 43,134,720	$ 41,059,843
ANALYSIS OF BALANCE AT NOVEMBER 30		
Unrestricted - Cash and Cash Equivalents	19,986,577	21,661,679
Restricted - Cash and Cash Equivalents	23,148,143	19,398,164
	$ 43,134,720	$ 41,059,843

See accompanying Notes to the Financial Statements.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINED COMPARATIVE STATEMENTS OF CASH FLOWS
AS OF NOVEMBER 30, 2025 AND 2024

	2025	2024
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	$ 2,677,193	$ 4,458,697
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	6,173,364	6,056,713
Interest Received on Non-operating Investments	414,172	379,701
Pension Adjustment - PERS	(329,888)	(326,415)
OPEB Adjustment	312	(205,671)
Interest Paid	(1,343,955)	(1,438,114)
Other Non-Operating Expenses	71,802	47,541
(Increase)/Decrease in Accounts Receivable	(107,131)	8,068
(Increase)/Decrease in Due From Homeowners Association	11,906	(12,006)
(Increase)/Decrease in Due From Central Services	66,036	(265,860)
(Increase)/Decrease in Due From State of New Jersey	162,000	(162,000)
(Increase)/Decrease in Prepaid Expenses	(1,091)	(2,776)
Increase/(Decrease) in Current Liabilities Payable from Unrestricted Assets	78,855	309,366
Increase/(Decrease) in Non-Current Liabilities	40,577	(46,629)
Total Adjustments	5,236,959	4,341,918
Net Cash Provided by Operating Activities	$ 7,914,152	$ 8,800,615

See accompanying Notes to the Financial Statements.

Notes to Financial Statements

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.

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, 2025, the following amount is due to the County of Sussex:

Under the 1973 Service Contract	$324,949

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

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.

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

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:

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.

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.

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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2. Summary of Significant Accounting Policies, (continued)

I. Property, Plant and Equipment, (continued)

Property, plant and equipment includes:

Fiscal Year Ended Nov. 30, 2025:	Upper Wallkill Facilities Fund	Hampton Commons Facilities Fund	Solid Waste Facilities Fund	Paulins Kill Water Reclamation Project	Wallkill Watershed Project	Total
Capital Assets Not Being Depreciated:						
Land	573,834	32,741	2,770,568	456,782		3,833,925
Construction in Progress	3,160,057					8,196,333
Total Capital Assets, Not Being Depreciated	3,733,891	32,741	7,806,844	456,782		12,030,258
Capital Assets Being Depreciated:						
Improvements	23,329,649		103,781,055			127,110,704
Buildings	43,701,709	510,231	12,923,272	12,317,902		69,453,114
Machinery and Equipment	13,330,067	781,641	11,281,918	491,006	6,214	25,890,846
Total Capital Assets, Being Depreciated	80,361,425	1,291,872	127,986,245	12,808,908	6,214	222,454,664
Less:						
Accumulated Depreciation	(65,315,428)	(1,214,005)	(74,782,647)	(2,980,456)	(6,214)	(144,298,750)
Total Capital Assets Being Depreciated, Net	15,045,997	77,867	53,203,598	9,828,452	0	78,155,914
Total Capital Assets, Net	18,779,888	110,608	61,010,442	10,285,234	0	90,186,172

Fiscal Year Ended Nov. 30, 2024:	Upper Wallkill Facilities Fund	Hampton Commons Facilities Fund	Solid Waste Facilities Fund	Paulins Kill Water Reclamation Project	Wallkill Watershed Project	Total
Capital Assets Not Being Depreciated:						
Land	573,834	32,741	2,770,568	456,782		3,833,925
Construction in Progress	2,710,753		3,529,500			6,240,253
Total Capital Assets, Not Being Depreciated	3,284,587	32,741	6,300,068	456,782	-0-	10,074,178
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	13,566,287	770,244	11,711,131	467,794	6,214	26,521,670
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	(63,058,019)	(1,197,923)	(73,277,512)	(2,639,882)	(6,214)	(140,179,550)
Total Capital Assets Being Depreciated, Net	17,376,172	82,552	55,082,322	10,145,814	0	82,686,860
Total Capital Assets, Net	20,660,759	115,293	61,382,390	10,602,596	0	92,761,038

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:

Upper Wallkill Facilities Fund:	Balance Nov. 30, 2024	Additions	Disposals	Transfers	Balance Nov. 30, 2025
Capital Assets Not Being Depreciated:					
Land	573,834				573,834
Construction in Progress	2,710,753	449,304			3,160,057
Total Capital Assets, Not Being Depreciated	3,284,587	449,304			3,733,891
Improvements	23,256,996	72,653			23,329,649
Buildings	43,610,908	90,801			43,701,709
Machinery and Equipment	13,566,287	118,796	(355,016)		13,330,067
Total Capital Assets, Being Depreciated	80,434,191	282,250	(355,016)		80,361,425
Less:					
Accumulated Depreciation	(63,058,019)	(2,612,425)	355,016		(65,315,428)
Total Capital Assets Being Depreciated, Net	17,376,172	(2,330,175)	0		15,045,997
Total Capital Assets, Net	20,660,759	(1,880,871)	0		18,779,888

Hampton Commons Facilities Fund:	Balance Nov. 30, 2024	Additions	Disposals	Balance Nov. 30, 2025
Capital Assets Not Being Depreciated:				
Land	32,741			32,741
Total Capital Assets, Not Being Depreciated	32,741			32,741
Capital Assets Being Depreciated:				
Buildings	510,231			510,231
Machinery and Equipment	770,244	11,397		781,641
Total Capital Assets, Being Depreciated	1,280,475	11,397		1,291,872
Less:				
Accumulated Depreciation	(1,197,923)	(16,082)		(1,214,005)
Total Capital Assets Being Depreciated, Net	82,552	(4,685)		77,867
Total Capital Assets, Net	115,293	(4,685)		110,608

2. Summary of Significant Accounting Policies, (continued)

I. Property, Plant and Equipment, (continued)

Solid Waste Facilities Fund:	Balance Nov. 30, 2024	Additions	Disposals	Transfers	Balance Nov. 30, 2025
Capital Assets Not Being Depreciated:					
Land	2,770,568				2,770,568
Construction in Progress	3,529,500	1,506,776			5,036,276
Total Capital Assets, Not Being Depreciated	6,300,068	1,506,776			7,806,844
Capital Assets Being Depreciated:					
Improvements	103,725,431	55,624			103,781,055
Buildings	12,923,272				12,923,272
Machinery and Equipment	11,711,131	1,295,928	(1,725,141)		11,281,918
Total Capital Assets, Being Depreciated	128,359,834	1,351,552	(1,725,141)		127,986,245
Less:					
Accumulated Depreciation	(73,277,512)	(3,204,283)	1,699,148		(74,782,647)
Total Capital Assets Being Depreciated, Net	55,082,322	(1,852,731)	(25,993)		53,203,598
Total Capital Assets, Net	61,382,390	(345,955)	(25,993)		61,010,442

Paulins Kill Water Reclamation Project:	Balance Nov. 30, 2024	Additions	Disposals	Balance Nov. 30, 2025
Capital Assets Not Being Depreciated:				
Land	456,782			456,782
Construction in Progress				
Total Capital Assets, Not Being Depreciated	456,782			456,782
Buildings	12,317,902			12,317,902
Machinery and Equipment	467,794	23,212		491,006
Total Capital Assets, Being Depreciated	12,785,696	23,212		12,808,908
Less:				
Accumulated Depreciation	(2,639,882)	(340,574)		(2,980,456)
Capital Assets Being Depreciated, Net	10,145,814	(317,362)		9,828,452
Total Capital Assets, Net	10,602,596	(317,362)		10,285,234

2. Summary of Significant Accounting Policies, (continued)

I. Property, Plant and Equipment, (continued)

Wallkill Watershed Project::	Balance Nov. 30, 2024	Additions	Disposals	Balance Nov. 30, 2025
Capital Assets Being Depreciated:				
Machinery and Equipment	6,214			6,214
Total Capital Assets, Being Depreciated	6,214			6,214
Less:				
Accumulated Depreciation	(6,214)			(6,214)
Capital Assets Being Depreciated, Net	0	0	0	(6,214)
Total Capital Assets, Net	0	0	0	0

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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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.

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:

Account	Amount	Use for which restricted
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.

2. Summary of Significant Accounting Policies, (continued)

K. Restricted Accounts, (continued)

Upper Wallkill Facilities Fund, (continued):

Account	Amount	Use for which restricted
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:

2. Summary of Significant Accounting Policies, (continued)

K. Restricted Accounts, (continued)

Hampton Commons Facilities Fund, (continued):

Account	Amount	Use for which restricted
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:

Account	Amount	Use for which restricted
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.

2. Summary of Significant Accounting Policies, (continued)

K. Restricted Accounts, (continued)

Solid Waste Facility, (continued):

Account	Amount	Use for which restricted
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 Code and Arbitrage Regulations.

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:

Account	Amount	Use for which restricted
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.

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, 2025, there is a deficiency of $6,479,292 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.

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.

2. Summary of Significant Accounting Policies, (continued)

T. Recently Issued Accounting Pronouncements

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.

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

2. Summary of Significant Accounting Policies, (continued)

T. Recently Issued Accounting Pronouncements, (continued)

In December 2025, the Government Accounting Standards Board issued GASB Statement No. 105, *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The Authority is determining what effects, if any, this pronouncement will have on future financial statements.

This Statement clarifies the subsequent event that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026 and all reporting periods thereafter. The Authority's 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.

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, 2025, cash and cash equivalents of the Sussex County Municipal Utilities Authority consisted of the following:

Upper Wallkill Facilities Fund

	Cash on Hand	Checking Accounts	Savings/ Money Market Accounts	Total
Petty Cash	400			400
Revenue Account			2,719,240	2,719,240
Operating Account		190,500		190,500
Vernon Twp. Rate Stabilization Fund		64,183		64,183
Current Debt Service			2,823,385	2,823,385
Phase III Construction		184,997		184,997
General Fund			3,745,628	3,745,628
Renewal and Replacement			2,032,996	2,032,996
Phase II Construction			249,347	249,347
Future Debt Service			1	1
Retainage Account		14,082		14,082
	400	453,762	11,570,597	12,024,759

Balance Sheet Classification	
Unrestricted Assets	4,734,762
Restricted Assets	7,289,997
	12,024,759

3. Cash and Cash Equivalents, (continued)

Solid Waste Facilities Fund

	Cash on Hand	Checking Accounts	Savings/ Money Market Accounts	Total
Petty Cash	2,600			2,600
Revenue Account			1,298,381	1,298,381
Operating Account		2,075,943		2,075,943
Construction Fund			1,313,229	3,344,847
Renewal and Replacement Fund			1,367,535	1,367,535
Cell Closure Account		6,084,797		6,084,797
Landfill Postclosure Account			178,385	178,385
Retained Percentages Account		98,762		98,762
Debt Service Fund			215,824	215,824
General Fund			13,815,448	13,815,448
	2,600	10,192,358	18,188,802	28,482,522
Balance Sheet Classification				
Unrestricted Assets				13,779,911
Restricted Assets				14,702,611
				28,482,522
Hampton Commons Facilities Fund				
Operating Account		263,500		263,500
Renewal and Replacement Fund		282,601		282,601
		546,101		546,101
Balance Sheet Classification				
Unrestricted Assets				263,500
Restricted Assets				282,601
				546,101
Paulins Kill Water Reclamation Project				
Operating Account		52,335		52,335
Revenue Fund			497,264	497,264
Debt Service Fund			159,652	159,652
Renewal and Replacement Fund			433,589	433,589
	0	52,335	1,090,505	1,142,840

3. Cash and Cash Equivalents, (continued)

	Cash on Hand	Checking Accounts	Savings/ Money Market Accounts	Total
Balance Sheet Classification				
Unrestricted Assets				550,043
Restricted Assets				592,797
				1,142,840
Internal Service Fund				
Revenue Operating Account		114,986		114,986
Payroll Account		395,908		395,908
Unemployment Trust Fund		280,137		280,137
		791,031		791,031
Balance Sheet Classification				
Unrestricted Assets				510,894
Restricted Assets				280,137
				791,031
Other Sewer Companies				
Escrow Accounts		4,646		4,646
Balance Sheet Classification				
Unrestricted Assets				4,646
Wallkill Watershed Fund				
Operating Account		142,821		142,821
Balance Sheet Classification				
Unrestricted Assets				142,821
Grand Total				
Unrestricted				19,986,577
Restricted				23,148,143
				43,134,720

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, 2025, $-0- of the Authority's bank balance of $43,506,510 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.

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.

4. Investments, (continued)

At November 30, 2025, 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	N/A	8,527	8,463	8,463		
FNMA	AA+	492,000	448,500		448,500	
Federal Farm Credit Banks	AA+	534,000	525,718		366,367	159,351
Federal Home Loan Banks	AA+	1,380,000	1,354,864	212,207	899,741	242,916
US Treasury Notes	Aaa	10,658,000	10,356,210	1,402,114	6,116,109	2,837,987
		13,072,527	12,693,755	1,622,784	7,860,717	3,240,254

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

Unemployment Trust Fund:

12 Month Certificate of Deposit	$259,923
12 Month Certificate of Deposit	146,368
	$406,291

5. Long Term Obligations

Changes in long-term obligations for the fiscal year ended November 30, 2025 are as follows:

	Balance 11/30/24	Issues or Additions	Payments or Expenditures	Balance 11/30/25	Amount Due Within One Year
Compensated Absences	720,569	40,577		761,146	
Financed Purchases	208,969		102,389	106,580	106,580
Planning Loan:					
County of Sussex	324,949			324,949	
Net OPEB Obligation Payable	19,785,159		954,150	18,831,009	
Net Pension Liability	6,976,633		812,223	6,164,410	
Bonds and Notes Payable:					
Wastewater Program	40,394,114	1,283,305	3,030,243	38,647,176	3,043,904
Solid Waste Program	47,098,664		3,609,883	44,488,781	2,654,882
Accrued Liabilities - Landfill Closure/Postclosure	24,135,191	1,339,638		25,474,829	
	139,644,248	2,663,520	8,508,888	134,798,880	5,805,366

6. Bonds Payable

As of November 30, 2025 and 2024, the Authority has the following principal amount of debt outstanding and unamortized losses from refunding transactions.

	Balance 11/30/24	Increases	Decreases	Balance 11/30/25	Amount Due Within One Year
Upper Wallkill Facilities Fund:					
2008 Series B Wastewater Revenue	22,871,193	1,066,297	2,620,000	21,317,490	2,620,000
2012 Wastewater Revenue Refunding	1,305,000		145,000	1,160,000	150,000
2016 Series A Wastewater Refunding	2,780,000		125,000	2,655,000	130,000
2016 Series B Wastewater Refunding	6,557,144	217,008		6,774,152	
	33,513,337	1,283,305	2,890,000	31,906,642	2,900,000

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

	2025	2024
Series 2008 B	67,911	70,531
Series 2012	40,100	44,631
Series 2016 A	97,600	102,600
	205,611	217,762

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.

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.

Date	Original Principal	Coupon	Interest	Maturity Amount
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
	8,816,613		17,958,387	26,775,000

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:

Maturity	Original Principal	Accreted Principal 11/30/25	Carrying Value 11/30/25
12/1/25	1,125,500	1,494,500	2,620,000
12/1/26	1,060,209	1,432,800	2,493,009
12/1/27	997,565	1,371,858	2,369,423
12/1/28	937,515	1,311,807	2,249,322
12/1/29	881,866	1,251,757	2,133,623
12/1/30	826,924	1,194,013	2,020,937
12/1/31	776,254	1,136,844	1,913,098
12/1/32	782,176	1,161,722	1,943,898
12/1/33	735,124	1,101,043	1,836,167
12/1/34	693,480	1,044,533	1,738,013
	8,816,613	12,500,877	21,317,490

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:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2025	$150,000	3.125%	2029	$170,000	3.625%
2026	155,000	3.375%	2030	175,000	3.625%
2027	160,000	3.375%	2031	185,000	3.625%
2028	165,000	3.375%			

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

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2025	130,000	4.00%	2026	$140,000	4.00%

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

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

Year	Principal Amount
2027	$145,000
2028*	150,000

Term Bonds due December 1, 2030

Year	Principal Amount
2029	$155,000
2030*	165,000

Term Bonds due December 1, 2032

Year	Principal Amount
2031	$170,000
2032*	175,000

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

Term Bonds due December 1, 2035

Year	Principal Amount
2033	$180,000
2034	190,000
2035*	195,000

Term Bonds due December 1, 2039

Year	Principal Amount
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:

Date	Original Principal	Coupon	Interest	Maturity Amount
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	3.000%	1,012,405	2,005,000
12/1/38	949,520	3.300%	1,045,480	1,995,000
12/1/39	914,620	3.360%	1,085,380	2,000,000
	4,975,058		5,034,942	10,010,000

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

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

Maturity	Original Principal	Accreted Principal 11/30/25	Carrying Value 11/30/25
12/1/35	$1,082,319	$378,725	$1,461,044
12/1/36	1,036,004	370,363	1,406,367
12/1/37	992,595	361,141	1,353,736
12/1/38	949,520	349,105	1,298,625
12/1/39	914,620	339,760	1,254,380
	$4,975,058	$1,799,094	$6,774,152

Solid Waste Facilities Fund:

	Balance Nov. 30, 2024	Increases	Decreases	Balance Nov. 30, 2025	Amount Due Within One year
NJ Environmental Infrastructure					
Trust Loan Series 2018A-1	$760,000	$	$240,000	$520,000	$255,000
Fund Loan Series 2018A-1	1,718,053		676,393	1,041,660	676,393
Trust Loan Series 2022A-2	3,840,000		65,000	3,775,000	70,000
Fund Loan Series 2022A-2	4,013,641		143,345	3,870,296	143,344
Trust Loan Series 2023A-W1/C-W1	17,576,126		405,000	17,171,126	425,000
Fund Loan Series 2023A-W1/C-W1	13,985,844		965,145	13,020,699	965,145
Solid Waste Revenue Bonds:					
Series 2021	5,205,000		115,000	5,090,000	120,000
	$47,098,664	$	$2,609,833	$44,488,781	$2,654,882

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.

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.

Year August 1	Amount	Rate
2026	255,000	5.00%
2027	265,000	5.00%
	$520,000	

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.

Year February 1	Amount	Year August 1	Amount	Fiscal year Total
2026	225,464	2026	450,929	676,393
2027	225,464	2027	139,803	365,267
				$1,040,660

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.

	Trust Loan				
Year August 1	Amount	Rate	Year August 1	Amount	Rate
2026	70,000	5.00%	2040	135,000	5.00%
2027	75,000	5.00%	2041	145,000	5.00%
2028	75,000	5.00%	2042	150,000	5.00%
2029	80,000	5.00%	2043	160,000	5.00%
2030	85,000	5.00%	2044	165,000	5.00%
2031	90,000	5.00%	2045	175,000	5.00%
2032	95,000	5.00%	2046	185,000	5.00%
2033	95,000	5.00%	2047	190,000	5.00%
2034	100,000	5.00%	2048	200,000	5.00%
2035	105,000	5.00%	2049	210,000	5.00%
2036	110,000	5.00%	2050	225,000	5.00%
2037	120,000	5.00%	2051	235,000	5.00%
2038	125,000	5.00%	2052	245,000	5.00%
2039	130,000	5.00%	Total	3,775,000	

6. Bonds Payable, (continued)

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

Fund Loan Year February 1	Amount	Fund Loan Year August 1	Amount	Fiscal year Total
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
				$3,870,296

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.

			Trust Loan		
Year August 1	Amount	Rate	Year August 1	Amount	Rate
2026	425,000	5.00%	2035	988,739	5.00%
2027	706,521	5.00%	2036	1,032,950	3.03%
2028	735,445	5.00%	2037	1,063,499	3.03%
2029	769,389	5.00%	2038	1,092,973	3.03%
2030	798,355	5.00%	2039	1,126,340	3.03%
2031	832,441	5.00%	2040	1,163,468	3.03%
2032	871,552	5.00%	2041	1,199,221	3.03%
2033	910,590	5.00%	2042	1,233,557	3.03%
2034	949,652	5.00%	2043	1,271,434	3.03%
			Total	17,171,126	

6. Bonds Payable, (continued)

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

Year February 1	Amount	Fund Loan Year August 1	Amount	Fiscal Year Total
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
Total	4,386,670		8,634,029	13,020,699

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

Year	Principal Amounts	Interest Rates
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, plan accrued interest to the date fixed for redemption.

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:

Year	Principal Amount
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:

Year	Principal Amount
2036	$175,000
2037	180,000
2038	185,000
2039	190,000
2040	195,000
2041*	200,000

*Final Maturity

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:

Year	Principal Amount
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:

Year	Principal Amount
2047	$240,000
2048	250,000
2049	255,000
2050	265,000
2051*	270,000

*Final Maturity

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:

	2025	2024
NJEIT Series 2018A-1	$34,000	$45,667
NJIB Series 2022A-2	190,916	194,167
Solid Waste Revenue Bonds, Series 2021	613,711	166,600
NJIB Series 2023A-W1/C-W1	162,000	674,124
Construction Note		181,897
	$1,000,627	$1,262,455

Paulinskill Water Reclamation System

	Balance Nov. 30, 2024	Increases	Decreases	Balance Nov. 30, 2025	Amount Due Within One year
USDA Rural Development Loans	$6,880,777	$	$140,243	$6,740,534	$143,904

Interest expense on loans is comprised of the following:

	2025	2024
USDA Rural Development Loans	$176,354	$179,968

6. Bonds Payable, (continued)

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

Upper Wallkill Facilities Fund

Fiscal Year	Rate	Principal	Interest	Total
2026	3.125-4.97%	2,900,000	132,756	3,032,756
2027	3.375-5.03%	2,788,009	249,388	3,037,397
2028	3.375-5.15%	2,674,423	361,958	3,036,381
2029	3.625-5.20%	2,564,322	470,675	3,034,997
2030		2,458,623	574,408	3,033,031
2031-2035	3.375-5.09%	10,692,113	4,494,519	15,186,632
2036-2040	3.19-5.41%	7,829,152	3,318,198	11,147,350
		$33,513,337	$11,027,673	$44,541,010

Solid Waste Facilities Fund

Fiscal Year	Rate	Principal	Interest	Total
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		1,884,044	822,504	2,706,548
2031-2035	4.00%	10,116,420	3,414,668	13,531,088
2036-2030	3.00%	11,302,677	2,222,314	13,524,991
2041-2045	3.00%	8,268,657	1,063,113	9,331,770
2046-2050	3.00%	2,931,722	449,375	3,381,097
2051-2052	3.00%	1,301,689	52,375	1,354,064
		$44,488,781	$11,751,158	$56,239,939

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

Paulinskill Water Reclamation System

Fiscal Year	Rate	Principal	Interest	Total
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	2.25-2.75%	159,535	158,879	318,414
2031-2035	2.25-2.75%	862,450	729,628	1,592,078
2036-2040	2.25-2.75%	981,302	610,777	1,592,079
2041-2045	2.25-2.75%	1,116,675	475,405	1,592,080
2046-2050	2.25-2.75%	1,270,882	321,197	1,592,079
2051-2055	2.25-2.75%	1,446,570	145,513	1,592,083
2056	2.25-2.75%	304,564	5,923	310,487
		$6,740,534	$3,122,429	$9,862,963

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, 2025, the Authority had the following activity and principal amounts outstanding on notes issued through this program:

Solid Waste Facilities Fund:

Note	Project	Balance 11-30-24	Issued	Retired	Balance 11-30-25
NJWB-CFP-24-1	Northern Capping Project	5,445,489			5,445,489
		5,445,489			5,445,489

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 contact 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.

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, 2025, the following amounts were recognized for lease assets:

Asset Type	Lease Assets (Net)	Accumulated Amortization
Equipment	$512,768	$102,554

8. Lease Assets, (continued)

Lease Expense:

For the fiscal year ended November 30, 2025, the following lease expense was recognized:

- Interest Expense: $8,555
- Amortization Expense: $34,185
- Total Lease Expense: $42,470

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.

9. Lease Liabilities

The Authority had leases outstanding as of November 30, 2025 as follows:

Purpose	Commencement Date	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
Morbark Tub Grinder	3/28/22	Annual	3/28/26	4.09	208,969
					$208,969

Principal and interest due on leases outstanding are as follows:

Year Ending November 30,	Principal	Interest
2026	106,580	4,363
	$106,580	$4,363

10. Pension Plans

Description of Plans - All required employees of the Authority are covered by the Public Employees' Retirement System which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the report can be accessed on the internet at: http://www.nj.gov/treasury/pensions/financial-reports.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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:

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

Service retirement benefits of $1/55^{th}$ of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{th}$ 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

Empower Financial Services jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, 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.

10. Pension Plans, (continued)

Defined Contribution Retirement Program, (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 Authority's contribution to PERS and DCRP, equal to the required contributions for each year as reported in the financial statements, were as follows:

Year Ending	PERS	DCRP
11/30/2025	$ 698,655	$ -
11/30/2024	694,323	-
11/30/2023	638,565	-

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

Public Employees Retirement System (PERS)

At November 30, 2025, the Authority had a liability of $6,164,410 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. 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 governmental entities, actuarially determined. As of June 30, 2025, the Authority's proportion was .0501226577 percent, which was an increase/(decrease) of (.0012212454) percent from its proportion measured as of June 30, 2024.

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

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, 2025, the Authority recognized pension expense of $368,759.

At November 30, 2025, the deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 175,759	$ 6,588
Changes of assumptions	973	71,019
Net difference between projected and actual earnings on pension plan investments		514,030
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	119,353	236,459
	$ 296,085	$ 828,096

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2025) 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 Nov. 30:	
2026	$ 114,172
2027	(238,302)
2028	(183,888)
2029	(107,642)
2030	755

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 5.15, 5.08, 5.08, 5.04, 5.13, and 5.16, for the years 2025, 2024, 2023, 2022, 2021, and 2020, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2025 and June 30, 2024 are as follows:

	June 30, 2025	June 30, 2024
Collective Deferred Outflows of Resources	$ 1,093,964,592	$ 1,079,580,780
Collective Deferred Inflows of Resources	1,921,744,319	1,611,322,898
Collective Net Pension Liability	12,298,650,125	13,588,045,796
District's Proportion	0.0502265770%	0.0513439031%

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, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	3.25 - 7.75% based on years of service

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July, 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

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, 2025) 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 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 allocations as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.55%
Non-U.S. Developed Markets Equity	12.75%	8.77%
International Small Cap Equity	1.25%	8.77%
Emerging Markets Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Esates	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Risk Mitigation Strategies	3.00%	7.26%

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, 2025. 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 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 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, 2025, as 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, 2025		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Authority's Proportionate Share of the Pension Liability	8,511,511	6,164,410	4,262,561

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.nj.gov/treasury/pensions.

11. Post-Retirement Benefits

General Information about the OPEB Plan
State Health Benefit State Retired Employees Plan

The State of New Jersey provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting service credit eligibility requirements. In fiscal year 2025, the State paid PRM benefits for 161,268 State and local retirees.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits (OPEB) for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers. The fiscal year 2025 State OPEB liability to provide these benefits is $76.9 billion, an increase of $2.0 billion, or 2.6% from the $74.9 billion liability recorded in fiscal year 2024.

For fiscal year 2025, the State contributed $2.3 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from $2.1 billion in fiscal year 2024. The State has appropriated $2.4 billion in fiscal year 2026 as the State's contribution to fund increases in prescription drugs and medical claims costs.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State of New Jersey provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: The Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

11. **Post-Retirement Benefits, (continued)**

General Information about the OPEB Plan
State Health Benefit State Retired Employees Plan

The total non-employer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

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 above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.nj.gov/treasury/pensions/financial-reports.shtml.

Plan membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2024:

Active Plan Members	221,900
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	154,806
Total	376,706

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the postemployment health benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of the plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

11. Post-Retirement Benefits, (continued)

General Information about the OPEB Plan

Total OPEB Liability

At November 30, 2025, the Authority had a liability of $18,831,009 for its proportionate share of the non-special funding net OPEB liability.

The net OPEB liability was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. 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. For the June 30, 2025 measurement date, the Authority's proportionate share of the net OPEB liability was .113204%, which was an increase of .002706% from its proportion measured as of June 30, 2024.

For the year ended November 30, 2025, the Authority recognized OPEB expense of $781,516.

The actuarial assumptions and other inputs vary for each plan member depending on the pension plan the member is enrolled in. The actuarial valuation at July 1, 2024, which was rolled forward to June 30, 2025, used the following actuarial assumptions, applied to all periods in the measurement:

Salary increases -

	PERS*	PFRS*
Salary Increases:	3.25 – 7.75%	4.00 – 17.50%

* Based on service years

11. **Post-Retirement Benefits, (continued)**

Total OPEB Liability, (continued)

Mortality Rates – Preretirement mortality rates were based on the Pub-2016 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2016 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2016 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2016 "Safety" (PFRS), "General" (PERS) and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Experience Studies – The actuarial assumptions used in the July 1, 2024, valuation were based on the results of the TPAF, PERS, and PFRS experience studies prepared for July 1, 2021, to June 30, 2024.

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 9.50% and decreases to a 4.50% long-term trend rate in fiscal year 2036. For post-65 medical benefits PPO, the trend is initially 25.12% and decreases to 4.50% in fiscal year 2036. For post-65 medical benefits HMO, the trend is initially 29.65% and decreases to 4.50% in fiscal year 2036. For pre-Medicare prescription drug benefits, the initial trend rate is 19.00% and decreases to a 4.50% long-term rate in fiscal year 2036. For post-65 prescription drug benefits, the initial trend rate is 10.88% and decreases to a 4.50% long-term trend rate in fiscal year 2036. For employer group waiver plan prescription drug benefits, the initial trend rate is 20.85% and decreases to a 4.50% long-term trend rate in fiscal year 2036. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate – The discount rate used to measure the total OPEB liability was 5.20%. 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.

11. **Post-Retirement Benefits, (continued)**

Changes in the Total OPEB Liability

The change in the Authority's proportionate share of the OPEB liability for the fiscal year ended November 30, 2025 (measurement date June 30, 2025) is as follows:

Balance, June 30, 2025	$ 19,785,159
Changes for the Year:	
Service Cost	778,929
Interest Cost	808,856
Changes in Benefit Terms	42,963
Difference between Expected and Actual Experience	51,425
Changes in Assumptions	(2,083,284)
Member Contributions	(565,382)
Net Investment Income	(1,077)
Administrative Expense	13,420
Net Changes	(954,150)
Balance, June 30, 2026	$ 18,831,009

Differences between expected and actual experience reflect an decrease in liability for the measurement period from June 30, 2024, to June 30, 2025, due to the combined effect of updates in census information and premium and claims experience.

Changes in assumptions reflect a decrease in the liability for the measurement period from June 30, 2024, to June 30, 2025, due to the combined effect of the discount rate change and changes in the trend update.

11. **Post-Retirement Benefits, (continued)**

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

The Authority's proportionate share of the net OPEB liability as of June 30, 2025, using a discounted rate of 5.20%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease 4.20%	At Current Discount Rate 5.20%	1% Increase 6.20%
Authority's Proportionate Share of the Net OPEB Liability	$ 21,506,181	$ 18,831,009	$ 16,638,217

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

The Authority's proportionate share of the net OPEB liability as of June 30, 2025, using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's Proportionate Share of the Net OPEB Liability	$ 16,232,156	$ 18,831,009	$ 22,095,789

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to the Net OPEB Liability

OPEB Expense – For the fiscal year ended November 30, 2025, the Authority recognized $781,516 in OPEB expense in the financial statements for its proportionate share of the OPEB Plan's OPEB expense. This expense was based on the OPEB Plan's June 30, 2025, measurement date.

Deferred Outflows and Inflows of Resources – At November 30, 2025, the Authority's proportionate share of the OPEB liability's deferred outflows of resources and deferred inflows of resources associated with the Authority from the following sources are:

11. **Post-Retirement Benefits, (continued)**

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to the Net OPEB Liability

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 852,419	$ 2,255,376
Changes of Assumptions	$ 2,611,620	4,534,795
Net difference between projected and actual earnings on OPEB plan investments		13,877
Changes of Assumptions	4,271,733	691,740
	$ 7,735,772	$ 7,495,788

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Authority's proportionate share of the net OPEB liability (excluding changes in proportion) will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	$ (853,447)
2027	(399,785)
2028	(807,522)
2029	(625,391)
2030	(234,788)
Thereafter	(419,076)

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:

Solid Waste Facilities	Wastewater Facilities	Total
$1,823,290	$249,158	$2,072,448

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

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, 2025, the Authority reported a deficiency of $6,479,292 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, 2025, cash and cash equivalents, investments and receivables of $18,995,537 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:	$1,839,725
Funded by:	
Cash, Cash Equivalents and Investments	1,839,725
Excess/(Deficit)	$ -0-

15. Reserves Required by Bond Resolution, (continued)

Future Debt Service Requirement:	3,045,400
Funded by:	
Insurance Policy with Assured Guarantee Municipal Corp.	3,045,400
Excess/(Deficit)	-0-
Renewal and Replacement Requirement:	2,032,996
Funded by:	
Cash, Cash Equivalents and Investments	2,032,996
Excess/(Deficit)	-0-
Current Debt Service Requirement:	2,968,850
Funded by:	
Cash, Cash Equivalents and Investments	2,968,850
Excess/(Deficit)	-0-

Solid Waste Facilities Fund:

The following cash reserves are required by the bond resolution:

Revenue Fund Requirement:	3,233,401
Funded by:	
Cash, Cash Equivalents and Investments	3,233,401
Excess/(Deficit)	-0-
Renewal and Replacement Requirement:	1,367,535
Funded by:	
Cash, Cash Equivalents and Investments	1,367,535
Excess/(Deficit)	-0-

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 effect on the Authority's financial statements.

17. Other Matters

Solid Waste Facilities

The Authority's Solid Waste Facilities experienced an increase in tonnage in fiscal year 2025. This increase is largely the result of additional tonnage received in FY2025. 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:

	Tipping Fee Revenues	Tonnage
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
2025	13,269,918	111,069 tons

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:

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

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

Fiscal Year Ending	Authority Contributions	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
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
11-30-25	-0-	9,246	8,340	12,748	686,428

19. Designation of Unrestricted Net Position

As of November 30, 2025, 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:

	Upper Wallkill Facilities	Solid Waste Facilities	Hampton Commons Facilities	Paulinskill Water Reclamation System	Wallkill Watershed Project	Total
Workers Compensation	9,439					9,439
Vernon Twp. Rate Stabilization	64,183					64,183
Wallkill Watershed Projects					172,717	172,717
Future Debt Service	1,100,000					1,100,000
Appropriated in subsequent year's budget	500,000	3,000,000	35,000	45,000		3,580,000
	1,673,622	3,000,000	35,000	45,000	172,717	4,926,339

At November 30, 2025, the Authority reported a total amount of $4,926,339 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, 2025 and 2024:

2025	Upper Wallkill	Solid Waste	Hampton Commons	Paulinskill	Total
Accrued OPEB Adjustments	$(5,509,087)	$(13,081,938)	$	$	$(18,591,025)
Accrued Unfunded Pension Adjustments	(2,446,499)	(4,250,192)			(6,696,691
Available for Use in Future Budgets	3,077,489	10,718,061	174,188	492,452	
Total	$(4,878,097)	$(6,614,069)	$174,188	$492,452	$(10,825,526)

2024	Upper Wallkill	Solid Waste	Hampton Commons	Paulinskill	Total
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	3,779,326	14,064,939	186,758	464,502	18,495,525
Total	($4,272,128)	($3,486,995)	$186,758	$464,502	($7,107,863)

20. Subsequent Events

The Authority has evaluated subsequent events through October 13, 2026, the date which the financial statements were available to be issued and no other items were noted for disclosure.

Required Supplementary Information

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability (asset)	0.0501226577%	0.0513439031%	0.0519497822%	0.0506376434%	0.0517007610%	0.0463069795%	0.0461641298%	0.0466565560%	0.0458961702%	0.0418126938%
Authority's proportionate share of the net pension liability (asset)	$ 6,164,410	$ 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
Authority's covered payroll - PERS	$ 4,321,456	$ 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
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	142.65%	166.07%	184.41%	193.26%	165.28%	207.49%	258.12%	281.52%	336.42%	392.68%
Plan fiduciary net position as a percentage of the total pension liability	71.84%	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 698,655	$ 694,323	$ 638,565	$ 605,476	$ 506,575	$ 449,041	$ 464,082	$ 425,179	$ 371,458	$ 353,818
Contributions in relation to the contractually required contribution	(698,655)	(694,323)	(638,565)	$ (605,476)	$ (506,575)	$ (449,041)	$ (464,082)	$ (425,179)	$ (371,458)	$ (353,818)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll - PERS	$ 4,321,456	$ 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
Contributions as a percentage of covered payroll	16.17%	16.53%	15.65%	15.31%	13.67%	12.34%	14.40%	13.03%	11.70%	11.22%

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
Note to Required Schedules of Supplementary Information
For the Fiscal Year Ended November 30, 2025

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Authority's proportion of the net OPEB liability (asset)	0.113204%	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)	$ 18,831,009	$ 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	$ 4,321,456	$ 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	435.76%	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	-1.12%	-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**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 781,204	$ 706,227	$ 587,432	$ 505,180	$ 489,169	$ 404,906	$ 366,578	$ 547,116	$ 531,383
Contributions in relation to the contractually required contribution	$ (781,204)	$ (706,227)	$ (587,432)	$ (505,180)	(489,169)	$ (404,906)	$ (366,578)	$ (547,116)	$ (531,383)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 4,321,456	$ 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	18.08%	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**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:									
Service Cost	$ 778,929	$ 602,309	$ 674,226	$ 772,253	$ 833,664	$ 598,975	$ 554,330	$ 770,207	$ 933,472
Interest	808,856	612,654	656,431	389,079	407,766	491,719	528,973	656,637	568,596
Changes of Benefit Terms	42,964	118,974	26,014	390,147	1,999	1,022	(1,583)		
Difference Between Expected and Actual Experience	51,425	451,375	(2,397,446)	554,525	(1,178,649)	535,274	(1,164,189)	(3,116,442)	
Changes in Assumptions	(2,567,806)	1,918,234	288,038	(3,489,296)	334,190	3,039,576	(1,360,315)	(1,988,812)	(2,269,261)
Benefit Payments	(665,950)	(615,875)	(674,178)	(567,364)	(502,166)	(460,853)	(391,006)	(362,333)	(366,092)
Contributions - Members	82,125	71,113	70,472	51,538	42,675	37,114	35,967	46,395	46,989
Change in Allocation	480,267	(359,135)	2,570,204	(288,081)	(57,232)	2,167,963	(443,795)	(361,215)	
Net Change in Total OPEB Liability	(989,190)	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	19,611,470	16,811,821	15,598,060	17,785,259	17,903,012	11,492,222	13,733,840	18,089,403	19,175,699
Total OPEB Liability - Ending	18,622,280	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	$ 484,187	$ 441,369	$ 487,078	$ 377,560	$ 320,328	$ 289,039	$ 288,082	$ 361,966	$ 334,808
Contributions - Non-Employer Contributing Entities	81,195	69,423	62,795	44,389	37,223	34,609	36,470	46,018	46,532
Contributions - Members	82,125	71,113	70,472	51,538	42,675	37,114	35,967	46,395	46,989
Net Investment Income	1,077	1,808	2,260	229	198	2,825	4,014	1,994	694
Benefit Payments	(665,950)	(615,875)	(674,178)	(567,364)	(502,166)	(460,853)	(391,006)	(362,333)	(366,092)
Administrative Expense	(13,420)	(12,287)	(14,246)	(11,957)	(11,168)	(9,799)	(7,882)	(7,047)	(7,800)
Change in Allocation	(4,254)	2,823	(9,371)	(803)	(520)	42,856	(8,733)	(3,733)	
Net Change in Plan Fiduciary Net Position	(35,040)	(41,626)	(75,190)	(106,408)	(113,430)	(64,209)	(43,088)	83,260	55,131
Plan Fiduciary Net Position - Beginning	(173,689)	(132,063)	(56,873)	49,535	162,965	227,174	270,262	187,002	131,871
Plan Fiduciary Net Position - Ending	(208,729)	(173,689)	(132,063)	(56,873)	49,535	162,965	227,174	270,262	187,002
Authority's Net OPEB Liability	$ 18,831,009	$ 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, 2025

Change in benefit terms

None

Change in assumptions

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

Supplementary Schedules

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2025

	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	Internal Service Fund
Assets:								
Current Assets:								
Unrestricted:								
Cash and Cash Equivalents	4,734,762	13,779,911	263,500	550,043	4,646	142,821	19,475,683	510,894
Accounts Receivable (Net)	584,866	641,806					1,226,672	
Prepaid Expenses	22,830	24,140	273	1,036		650	48,929	5,692
Due from Homeowners Association			100				100	
Due from State of New Jersey		324,000					324,000	
Due from Central Services	153,853	293,645	4,636	5,991		36,296	494,421	
Total Unrestricted Current Assets:	5,496,311	15,063,502	268,509	557,070	4,646	179,767	21,569,805	516,586
Restricted:								
Phase II Construction Account:								
Cash and Cash Equivalents	249,347	3,344,847					3,594,194	
Due from NJ Infrastructure Bank		555,528					555,528	
Due from Central Services	3,277						3,277	
Phase III Construction Account:								
Cash and Cash Equivalents	184,997						184,997	
Renewal and Replacement Account:								
Cash and Cash Equivalents	2,032,996	1,367,535	282,601	433,589			4,116,721	
Current Debt Service Accounts:								
Cash and Cash Equivalents	2,968,850	360,979		159,208			3,489,037	

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2025

	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	Internal Service Fund
Retained Percentages Account:								
Cash and Cash Equivalents	14,082	98,762					112,844	
Operations:								
Cash and Cash Equivalents	1,839,725	3,233,401					5,073,126	
Cell Closure Account:								
Cash and Cash Equivalents		6,118,702					6,118,702	
Due from Central Services		4,695					4,695	
Landfill Postclosure Account:								
Cash and Cash Equivalents		178,385					178,385	
Investments		12,693,755					12,693,755	
Unemployment Trust Account:								
Cash and Cash Equivalents								280,137
Investments								406,291
Total Restricted Current Assets:	7,293,274	27,956,589	282,601	592,797	-	-	36,125,261	686,428
Total Current Assets	12,789,585	43,020,091	551,110	1,149,867	4,646	179,767	57,695,066	1,203,014

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2025

	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	Internal Service Fund
Non-Current Assets								
Capital Assets:								
Land	573,834	2,770,568	32,741	456,782			3,833,925	
Improvements	23,329,649	103,781,055					127,110,704	
Buildings	43,701,709	12,923,272	510,231	12,317,902			69,453,114	
Machinery and Equipment	13,330,067	11,281,918	781,641	491,006		6,214	25,890,846	
Accumulated Depreciation	(65,315,428)	(74,782,647)	(1,214,005)	(2,980,456)		(6,214)	(144,298,750)	
Construction in Progress	3,160,057	5,036,276					8,196,333	
Total Non-Current Assets	18,779,888	61,010,442	110,608	10,285,234	-	-	90,186,172	-
Total Assets	31,569,473	104,030,533	661,718	11,435,101	4,646	179,767	147,881,238	1,203,014
Deferred Outflows of Resources:								
Deferred Outflows - PERS	74,748	221,337					296,085	
Deferred Outflows - OPEB	2,195,582	5,540,190					7,735,772	
Deferred Losses on Early Retirement of Debt	791,161						791,161	
Total Deferred Outflows of Resources	3,061,491	5,761,527	-	-	-	-	8,823,018	-

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2025

	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	Internal Service Fund
Liabilities:								
Current Liabilities:								
Payable from Unrestricted Assets:								
Payroll Taxes Payable							-	9,011
Accounts Payable	356,579	288,173	59,321	19,618		7,050	730,741	5,182
Accounts Payable - PERS	202,927	482,086					685,013	
Due to Other Funds							-	502,393
Escrow Deposits Payable					4,646		4,646	
Total Current Liabilities Payable from Unrestricted Assets	559,506	770,259	59,321	19,618	4,646	7,050	1,420,400	516,586
Payable from Restricted Assets:								
Accounts Payable: Construction		403					403	
Retainage Payable	14,082	98,762					112,844	
Bonds and Loans Payable - Current Portion	2,900,000	2,654,882		143,904			5,698,786	
Construction Loan Payable - NJ Infrastructure Bank		5,445,489					5,445,489	
Financed Purchases		106,580					106,580	
Accrued Interest on Bonds and Loans	1,563,350	360,979		87,720			2,012,049	
Total Current Liabilities Payable from Restricted Assets	4,477,432	8,667,095	-	231,624	-	-	13,376,151	-
Total Current Liabilities	5,036,938	9,437,354	59,321	251,242	4,646	7,050	14,796,551	516,586

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2025

	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	Internal Service Fund
Non-Current Liabilities:								
Revenue and Revenue Refunding Bonds Payable	29,006,642	4,970,000					33,976,642	
USDA Loans Payable				6,596,630			6,596,630	
NJEIT Loans Payable		36,863,899					36,863,899	
Loans Payable to County of Sussex:								
Planning Loan	324,949						324,949	
Net Pension Liability	2,271,973	3,892,437					6,164,410	
Net OPEB Liability	5,528,198	13,302,811					18,831,009	
Accrued Liabilities - Closure and Postclosure Costs		25,474,829					25,474,829	
Accrued Liabilities - Compensated Absences	185,964	575,182					761,146	
Total Non-Current Liabilities	37,317,726	85,079,158	-	6,596,630	-	-	128,993,514	-
Total Liabilities	42,354,664	94,516,512	59,321	6,847,872	4,646	7,050	143,790,065	516,586
Deferred Inflows of Resources:								
Deferred Inflows - PERS	249,004	579,092					828,096	
Deferred Inflows - OPEB	2,176,471	5,319,317					7,495,788	
Bond Premium - Net	249,158	1,823,290					2,072,448	
Total Deferred Inflows of Resources	2,674,633	7,721,699	-	-	-	-	10,396,332	-
Net Position:								
Net Investment in Capital Assets	(12,472,079)	13,046,274	110,608	3,544,700			4,229,503	
Restricted:								
Current Debt Service	1,405,500			71,488			1,476,988	
Renewal and Replacement	2,032,996	1,367,535	282,601	433,589			4,116,721	
Operations	1,839,725	3,233,401					5,073,126	
Landfill Cell Closure/Postclosure		(6,479,292)					(6,479,292)	
Unemployment Insurance							-	686,428
Unrestricted:								
Designated	1,673,622	3,000,000	35,000	45,000		172,717	4,926,339	
Undesignated	(4,878,097)	(6,614,069)	174,188	492,452			(10,825,526)	
Total Net Position	(10,398,333)	7,553,849	602,397	4,587,229	-	172,717	2,517,859	686,428

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2025

	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	Internal Service Fund
Operating Revenues								
User Charges	7,688,500		312,000	824,400			8,824,900	1,838,648
Treatment of Sludge, Septage and Leachate	1,545,079						1,545,079	
Operating and Maintenance Charges-Municipal	239,400						239,400	
Tipping Fees		13,269,918					13,269,918	
Recycling Markets		230,863					230,863	
Connection Fees	252,812			6,750			259,562	
Operating Grants		162,000				282,056	444,056	
Finance Charges	40,050	4,011					44,061	
Interest	276,391	648,884		30,148			955,423	8,340
Other	110,564	179,684		1,500		151,824	443,572	9,246
	10,152,796	14,495,360	312,000	862,798	-	433,880	26,256,834	1,856,234
Operating Expenses								
Administration, Operating, Maintenance and Reserves	6,171,448	9,931,153	314,173	482,486		511,895	17,411,155	1,838,648
Other							-	12,748
Depreciation Expense	2,612,425	3,204,283	16,082	340,574			6,173,364	
	8,783,873	13,135,436	330,255	823,060	-	511,895	23,584,519	1,851,396
Operating Income	1,368,923	1,359,924	(18,255)	39,738	-	(78,015)	2,672,315	4,838

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2025

	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	Internal Service Fund
Non-Operating Revenues (Expenses)								
Interest on Investments	64,935	349,237					414,172	
Budget Approp. - Renewal and Replacement	300,000	400,000	85,000	150,000			935,000	
Budget Approp. - Res. For Future Debt Service	750,000						750,000	
Budget Approp. - Cell Closure		600,000					600,000	
Interest Expense	(205,611)	(1,000,627)		(176,354)			(1,382,592)	
Lease Interest		(8,555)					(8,555)	
Accreted Interest on Capital Appreciation Bonds	(1,283,305)						(1,283,305)	
Amortization of Bond Discount, Premiums	(58,864)	109,719					50,855	
Investment Expenses		(211,503)					(211,503)	
Cell Closure Expenditures (Net)		(145,343)					(145,343)	
Postclosure Expenditures (Net)		(1,082,971)					(1,082,971)	
Gain/(Loss) on Disposal of Capital Assets	18,226	(25,994)					(7,768)	
Vernon Rate Stabilization	(50,000)						(50,000)	
Total Non-Operating Revenues (Expenses)	(464,619)	(1,016,037)	85,000	(26,354)	-	-	(1,422,010)	-
Change in Net Position	904,304	343,887	66,745	13,384	-	(78,015)	1,250,305	4,838
Net Position - Beginning	(11,302,637)	7,209,962	535,652	4,573,845	-	250,732	1,267,554	681,590
Net Position - Ending	(10,398,333)	7,553,849	602,397	4,587,229	-	172,717	2,517,859	686,428

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2025

	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	Internal Service Fund
Cash Flows from Operating Activities:								
Cash received from users	9,352,730	13,489,491	336,408	824,400			24,003,029	1,838,648
Other operating receipts	403,426	183,695		8,250		151,824	747,195	9,246
Interest Received	341,326	998,121		30,148			1,369,595	8,340
Operating grants received		324,000				282,056	606,056	
Cash paid to employees	(1,234,797)	(2,823,164)				(281,659)	(4,339,620)	(939,262)
Cash paid for employee benefits	(817,453)	(1,941,455)				(137,891)	(2,896,799)	(622,321)
Cash paid to suppliers and professional contractors	(4,086,836)	(5,295,675)	(278,623)	(464,267)		(95,938)	(10,221,339)	(376,503)
Cash paid for other operating expenses	(50,000)	121,802					71,802	
Interest paid	(142,467)	(1,023,316)		(178,172)			(1,343,955)	
Net Cash Provided by (Used in) Operating Activities	3,765,929	4,033,499	57,785	220,359	-	(81,608)	7,995,964	(81,852)
Cash Flows from Financing Activities:								
Received from NJ Infrastructure Bank		2,978,521					2,978,521	
Principal Payments on Debt	(2,890,000)	(2,609,883)		(140,243)			(5,640,126)	
Net Cash Provided by (Used in) Financing Activities	(2,890,000)	368,638	-	(140,243)	-	-	(2,661,605)	-

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2025

	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	Internal Service Fund
Cash Flows from Investing Activities:								
Capital Expenditures	(1,525,193)	(3,487,448)	(11,397)	(23,212)			(5,047,250)	
Proceeds from sale of assets	18,226						18,226	
Renewal and Replacement Approp.	300,000	400,000	85,000	150,000			935,000	
Future Debt Service Approp.	750,000						750,000	
Cell Closure Approp.		600,000					600,000	
Investment Expenses		(211,503)					(211,503)	
Sales (purchases) of investments		(214,670)					(214,670)	(7,433)
Net Cash Provided by (Used in) Investing Activities	(456,967)	(2,913,621)	73,603	126,788	-	-	(3,170,197)	(7,433)
Net Increase (Decrease) in Cash and Cash Equivalents	418,962	1,488,516	131,388	206,904	-	(81,608)	2,164,162	(89,285)
Cash and Cash Equivalents-Beginning of Year	11,605,797	26,994,006	414,713	935,936	4,646	224,429	40,179,527	880,316
Cash and Cash Equivalents-End of Year	12,024,759	28,482,522	546,101	1,142,840	4,646	142,821	42,343,689	791,031
Classified As:								
Current Assets	4,734,762	13,779,911	263,500	550,043	4,646	142,821	19,475,683	510,894
Restricted Assets	7,289,997	14,702,611	282,601	592,797	-	-	22,868,006	280,137
	12,024,759	28,482,522	546,101	1,142,840	4,646	142,821	42,343,689	791,031

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2025

	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	Internal Service Fund
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities								
Operating Income	1,368,963	1,359,924	(18,255)	39,738	-	(78,015)	2,672,355	4,838
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:								
Depreciation and Amortization	2,612,425	3,204,283	16,082	340,574			6,173,364	
Pension Adjustment - PERS	(100,382)	(229,506)					(329,888)	
OPEB Adjustment	95	217					312	
Interest Received on Non-Operating Investments	64,935	349,237					414,172	
Interest Paid	(142,467)	(1,023,316)		(178,172)			(1,343,955)	
Other Non-Operating Expenses	(50,000)	121,802					71,802	
Decrease (Increase) In:								
Accounts and Accrued Interest Receivable	(120,249)	(11,290)	24,408				(107,131)	
Due from Homeowners Association			11,906				11,906	
Due from State of New Jersey		162,000					162,000	
Due from Central Services	47,746	15,934	3,840	4,985		(6,469)	66,036	
Prepaid Expenses	(458)	(484)	(6)	(21)		(7)	(976)	(115)
Increase (Decrease) In:								
Current Liabilities Payable from Unrestricted Assets	97,732	31,750	19,810	13,255		2,883	165,430	(86,575)
Non-Current Liabilities	(12,371)	52,948					40,577	
Net Cash Provided by (Used in) Operating Activities	3,765,969	4,033,499	57,785	220,359	-	(81,608)	7,996,004	(81,852)

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, 2025

			Restricted			
	Unrestricted	Invested in Capital Assets	Current Debt Service	Renewal and Replacement	Operations	Total
Operating Revenue:						
User Charges - Sewer	7,688,500					7,688,500
Treatment of Sludge	59,268					59,268
Treatment of Septage	1,031,932					1,031,932
Treatment of Leachate	450,000					450,000
Hauled Sewage	3,879					3,879
Operating and Maintenance Charges	239,400					239,400
Connection Fees	252,812					252,812
Other	110,564					110,564
Interest	276,391					276,391
Finance Charges	40,050					40,050
	10,152,796	0	0	0	0	10,152,796
Operating Expenses:						
Cost of Providing Services	4,212,904					4,212,904
Administrative and General Expense	908,544					908,544
Reserves	1,050,000					1,050,000
Depreciation		2,612,425				2,612,425
	6,171,448	2,612,425	0	0	0	8,783,873
Operating Income	3,981,348	(2,612,425)	0	0	0	1,368,923

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, 2025

			Restricted			
	Unrestricted	Invested in Capital Assets	Current Debt Service	Renewal and Replacement	Operations	Total
Non-Operating Revenue:						
Interest				64,935		64,935
Budget Appropriation - R&R				300,000		300,000
Budget Appropriation - Reserve for Future Debt Service	750,000					750,000
Gain on Disposal of Equipment	18,226					18,226
Non-Operating Expenses:						
Interest Expense	(205,611)					(205,611)
Accretion		(1,283,305)				(1,283,305)
Vernon Rate Stabilization Expenses	(50,000)					(50,000)
Amortization		(58,864)				(58,864)
Net Income/(Loss) Before Contributions and Transfers	4,493,963	(3,954,594)	0	364,935	0	904,304
Transfers:						
Bond Principal Payments	(2,890,000)	2,890,000				0
Capital Outlay	(282,249)	282,249				0
Other	(1,227,683)	1,206,443	(57,910)		79,150	0
Increase (Decrease) in Net Position	94,031	424,098	(57,910)	364,935	79,150	904,304
Net Position - December 1,	(3,298,506)	(12,896,177)	1,463,410	1,668,061	1,760,575	(11,302,637)
Net Position - November 30,	(3,204,475)	(12,472,079)	1,405,500	2,032,996	1,839,725	(10,398,333)
Designated	1,673,622					
Undesignated	(4,878,097)					
	(3,204,475)					

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, 2025

	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, 2024	2,164,177	209,114	400	1,668,061	114,183	263,968
Cash Receipts:						
User and Other Charges		9,402,317				
Connection Fees		252,812				
Interest	89,641			64,935		9,491
Budget Appropriation				300,000		
Other		325,561				12,538
Transfers	10,049,077	7,911,019				1,204,633
Total Cash Receipts	10,138,718	17,891,709	-	364,935	-	1,226,662
Cash and Investments Available	12,302,895	18,100,823	400	2,032,996	114,183	1,490,630
Cash Disbursements:						
Operations		7,861,246				
Bond Interest Payments						
Bond Principal Payments						
Other					50,000	
Transfers	9,583,655	10,049,077				1,241,283
Total Cash Disbursements	9,583,655	17,910,323	-	-	50,000	1,241,283
Cash, Cash Equivalents and Investments - November 30, 2025	2,719,240	190,500	400	2,032,996	64,183	249,347
Analysis of Balance:						
Unrestricted	734,050	190,500	400	-	64,183	-
Restricted	1,985,190	-	-	2,032,996	-	249,347
	2,719,240	190,500	400	2,032,996	64,183	249,347
Cash and Cash Equivalents	2,719,240	190,500	400	2,032,996	64,183	249,347
Investments	-	-	-	-	-	-
	2,719,240	190,500	400	2,032,996	64,183	249,347
Analysis of Restricted Accounts:						
Debt Service	145,465					
Operations	1,839,725					
	1,985,190					

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, 2025

	Debt Service	Future Debt Service	Phase III Construction	General	Retainage	Total
Cash, Cash Equivalents and Investments - December 1, 2024	2,892,152	1	206,877	4,072,782	14,082	11,605,797
Cash Receipts:						
User and Other Charges						9,402,317
Connection Fees						252,812
Interest	49,780			127,479		341,326
Budget Appropriation				750,000		1,050,000
Other						338,099
Transfers	2,913,919					22,078,648
Total Cash Receipts	2,963,699	-	-	877,479	-	33,463,202
Cash and Investments Available	5,855,851	1	206,877	4,950,261	14,082	45,068,999
Cash Disbursements:						
Operations						7,861,246
Bond Interest Payments	142,466					142,466
Bond Principal Payments	2,890,000					2,890,000
Other			21,880			71,880
Transfers				1,204,633		22,078,648
Total Cash Disbursements	3,032,466	-	21,880	1,204,633	-	33,044,240
Cash, Cash Equivalents and Investments - November 30, 2025	2,823,385	1	184,997	3,745,628	14,082	12,024,759
Analysis of Balance:						
Unrestricted	-	1	-	3,745,628	-	4,734,762
Restricted	2,823,385	-	184,997	-	14,082	7,289,997
	2,823,385	1	184,997	3,745,628	14,082	12,024,759
Cash and Cash Equivalents	2,823,385	1	184,997	3,745,628	14,082	12,024,759
Investments	-	-	-	-	-	-
	2,823,385	1	184,997	3,745,628	14,082	12,024,759

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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2024

	FY 2025 Budget	FY 2025 Budget After Modifications	FY 2025 Actual	FY 2024 Actual
Revenues:				
Net Position Utilized	500,000	500,000	500,000	450,000
User Charges - Sewer	7,688,500	7,688,500	7,688,500	7,514,900
Treatment of Sludge	64,000	64,000	59,268	44,297
Treatment of Septage	1,130,000	1,130,000	1,031,932	1,080,969
Treatment of Leachate	450,000	450,000	450,000	451,233
Hauled Sewage	2,500	2,500	3,879	3,587
Connection Fees	250,000	250,000	252,812	622,085
Operating and Maintenance Charges to Municipalities	253,000	253,000	239,400	207,400
Other	4,000	4,000	110,564	108,641
Interest Income from Operating Investments	26,000	26,000	276,391	406,163
Finance Charges	12,000	12,000	40,050	39,960
Total Operating Revenue	10,380,000	10,380,000	10,652,796	10,929,235
Expenses:				
Cost of Providing Services:				
(1) Salaries, Operating Staff	1,295,000	1,295,000	1,234,797	1,219,494
(2) Fringe Benefits, Operating Staff	822,000	822,000	653,131	607,139
(2) PERS	191,300	191,300	164,322	166,344
(3) Utilities	504,000	504,000	529,359	489,427
(4) Motor Vehicles & Equipment	17,000	17,000	14,725	14,075
(5) Stationary Equipment	90,200	90,200	88,619	54,751
(6) Electrical Equipment/Repair	19,500	19,500	16,499	15,814
(7) Insurance, Plant Operations	282,000	282,000	273,501	266,986
(8) Testing Services	14,000	14,000	6,590	13,280
(10) Outside Services	1,341,200	1,341,200	1,101,502	1,338,604
(11) Safety Equipment	8,500	8,500	4,876	8,544
(12) Chemicals	161,000	161,000	122,807	123,928
(13) Miscellaneous Plant Supplies	15,000	15,000	6,470	9,968
(14) Taxes and Fees	70,000	70,000	71,129	69,671
(15) Laboratory Supplies	15,000	15,000	11,167	9,863
(16) Custodial Supplies	4,000	4,000	3,849	3,878
(17) Purchases Related to Operating and Maintenance Services	17,000	17,000	9,848	24,468
Subtotal Cost of Providing Services	4,866,700	4,866,700	4,313,191	4,436,234

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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2024

	FY 2025 Budget	FY 2025 Budget After Modifications	FY 2025 Actual	FY 2024 Actual
Administrative Expenses:				
Seminars and Dues	16,000	16,000	15,846	18,222
Indirect Administrative Expenses	905,600	905,600	824,624	700,678
Engineering Consulting Fees	60,000	60,000	20,860	30,227
Trustee Fees	7,000	7,000	6,000	6,000
Auditing/Accounting Fees	500	500		
General Legal Fees	30,000	30,000	29,609	22,253
Office Supplies	2,300	2,300	2,633	2,450
Printing	500	500	353	465
Travel & Expenses, Administrative Staff	1,200	1,200	162	335
General Advertising	1,000	1,000		
Personal Services	6,500	6,500	8,457	7,028
Subtotal Administrative Expenses	1,030,600	1,030,600	908,544	787,658
Capital Outlay	380,000	380,000	282,249	743,909
Reserves:				
Future Debt Service	750,000	750,000	750,000	350,000
Renewal and Replacement	300,000	300,000	300,000	200,000
Vernon Rate Stabilization	15,000	15,000		4,831
Subtotal Reserves	1,065,000	1,065,000	1,050,000	554,831
Debt Service:				
Interest Expense	1,632,200	1,632,200	205,611 (1)	217,762
Bond Principal	1,405,500	1,405,500	1,405,500	1,463,410
Subtotal Debt Service	3,037,700	3,037,700	1,611,111	1,681,172
Total Costs Funded by Operating Revenues	10,380,000	10,380,000	8,165,095	8,203,804

(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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2024

	FY 2025 Budget	FY 2025 Budget After Modifications	FY 2025 Actual	FY 2024 Actual
Excess or (Deficit) in Actual Revenues and Expenses			2,487,701	2,725,431
Reconciliation of Budgetary Basis To Change in Net Position:				
Depreciation			(2,612,425)	(2,464,677)
Amortization of:				
Deferred Gains/Losses on Early Extinguishment of Debt			(80,566)	(80,566)
Bond Premiums			21,702	21,702
Gain on Disposal of Equipment			18,226	
Net Position Utilized			(500,000)	(450,000)
Accreted Interest - Capital Appreciation Bonds			(1,283,305)	(1,347,060)
Adjustment for Pension Expense			100,382	100,210
Adjustment for OPEB Expense			(95)	63,142
Interest on Non-Operating Investments			64,935	71,035
Other Non-Operating Revenues			1,050,000	550,000
Other Non-Operating Expenses			(50,000)	(50,000)
Capital Outlay			282,249	743,909
Vernon Rate Stabilization				4,831
Bond Principal Payments			1,405,500	1,463,410
			(1,583,397)	(1,374,064)
Change in Net Position			904,304	1,351,367

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

UPPER WALLKILL FACILITIES FUND
SCHEDULE OF REVENUE BONDS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Maturities Date	Interest Rate	Maturities Amount	Balance Dec. 1, 2024	Issued 2024-2025	Accreted Principal	Paid or Refunded 2024-2025	Balance Nov. 30, 2025
2008 Wastewater Revenue Bonds (Series B)	09/15/08	23,403,738	12/01/25	4.970%	2,620,000					
			12/01/26	5.030%	2,493,009					
			12/01/27	5.090%	2,369,423					
			12/01/28	5.150%	2,249,322					
			12/01/29	5.200%	2,133,623					
			12/01/30	5.260%	2,020,937					
			12/01/31	5.310%	1,913,098					
			12/01/32	5.360%	1,943,898					
			12/01/33	5.390%	1,836,167					
			12/01/34	5.410%	1,738,013					
						22,871,193		1,066,297	2,620,000	21,317,490
2012 Wastewater Revenue Refunding Bonds	07/11/12	3,165,000	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					
						1,305,000			145,000	1,160,000

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

UPPER WALLKILL FACILITIES FUND
SCHEDULE OF REVENUE BONDS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Maturities Date	Interest Rate	Maturities Amount	Balance Dec. 1, 2024	Issued 2024-2025	Accreted Principal	Paid or Refunded 2024-2025	Balance Nov. 30, 2025
Wastewater Revenue Refunding Bonds - Series 2016A	05/11/16	3,390,000	12/01/25	4.000%	130,000					
			12/01/26	4.000%	140,000					
			12/01/27	4.000%	145,000					
			12/01/28	4.000%	150,000					
			12/01/29	4.000%	155,000					
			12/01/30	4.000%	165,000					
			12/01/31	4.000%	170,000					
			12/01/32	4.000%	175,000					
			12/01/33	4.000%	180,000					
			12/01/34	4.000%	190,000					
			12/01/35	4.000%	195,000					
			12/01/36	3.000%	205,000					
			12/01/37	3.000%	210,000					
			12/01/38	3.000%	220,000					
			12/01/39	3.000%	225,000					
						2,780,000			125,000	2,655,000
Wastewater Revenue Refunding Bonds - Series 2016B	05/11/16	4,975,058	12/01/35	3.190%	1,461,044					
			12/01/36	3.250%	1,406,367					
			12/01/37	3.000%	1,353,736					
			12/01/38	3.300%	1,298,625					
			12/01/39	3.360%	1,254,380					
						6,557,144		217,008		6,774,152
						33,513,337		1,283,305	2,890,000	31,906,642
				Current Portion		2,890,000				2,900,000
				Long-Term Portion		30,623,337				29,006,642
						33,513,337				31,906,642

Schedule 8

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, 2025

	Unrestricted	Invested in Capital Assets	Restricted Renewal and Replacement	Total
Operating Revenue:				
Sewer Charges	312,000			312,000
	312,000	-	-	312,000
Operating Expenses:				
Operating, Maintenance and Reserves	314,173			314,173
Depreciation		16,082		16,082
	314,173	16,082	-	330,255
Operating Income	(2,173)	(16,082)	-	(18,255)
Non-Operating Revenue/(Expenses):				
Budget Appropriation			85,000	85,000
Net Income/(Loss) Before Transfers	(2,173)	(16,082)	85,000	66,745
Transfers:				
Capital Expenses	(11,397)	11,397		-
Increase (Decrease) in Net Position	(13,570)	(4,685)	85,000	66,745
Net Position - December 1,	222,758	115,293	197,601	535,652
Net Position - November 30,	209,188	110,608	282,601	602,397
Designated	35,000			
Undesignated	174,188			
	209,188			

Schedule 9

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, 2025

	Revenue Operating Account	Renewal and Replacement Account	Total
Cash, Cash Equivalents and Investments- December 1, 2024	217,112	197,601	414,713
Cash Receipts:			
Sewer Charges	312,000		312,000
Other	8,475		8,475
Budget Appropriation		85,000	85,000
Total Cash Receipts	320,475	85,000	405,475
Total Cash And Investments Available	537,587	282,601	820,188
Cash Disbursements:			
Operating and Maintenance Costs	274,087		274,087
Total Cash Disbursements	274,087	-	274,087
Cash, Cash Equivalents and Investments- November 30, 2025	263,500	282,601	546,101
Analysis of Balance:			
Unrestricted	263,500	-	263,500
Restricted	-	282,601	282,601
	263,500	282,601	546,101
Cash and Cash Equivalents	263,500	282,601	546,101
Investments	-	-	-
	263,500	282,601	546,101

Schedule 10

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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED NOVEMBER 30, 2024

	FY 2025 Budget	FY 2025 Budget After Modification	FY 2025 Actual	FY 2024 Actual
Revenue:				
Net Position Utilized	36,000	36,000	36,000	36,150
Service Agreements				
(Hampton Commons Homeowners Association)	256,000	256,000	256,000	219,897
(Lowe's)	56,000	56,000	56,000	48,103
Interest on Investments and Deposits	3,000	3,000		
Total Operating Revenue	351,000	351,000	348,000	304,150
Expenses:				
Operating and Maintenance				
(1) Payment to Upper Wallkill for Operating and Maintenance Services	69,600	69,600	69,400	60,000
(2) Utilities	17,800	17,800	33,590	18,365
(3) Outside Services	16,000	16,000	16,305	13,582
(4) Testing Services	8,800	8,800	9,015	11,299
(5) Engineering Fees	42,000	42,000	33,728	152
(6) Legal Fees	6,000	6,000	532	741
(7) Plant Supplies	1,200	1,200	368	613
(8) Chemicals	4,750	4,750	3,257	2,926
(9) Electrical and Mechanical Equipment Repair	1,500	1,500		
(10) Equipment/Stationary	33,500	33,500	4,499	9,219
(11) Laboratory Supplies	2,800	2,800	1,866	1,348
(12) Insurance	3,400	3,400	3,266	3,188
(13) Safety Equipment	600	600		
(14) Taxes and Fees	6,000	6,000	6,133	1,617
(15) Printing Expenses	200	200		139
(16) Indirect Administration, Legal and Fiscal Expenses	51,850	51,850	47,214	42,024
Total Operating and Maintenance Expenses	266,000	266,000	229,173	165,213
Renewal and Replacement	85,000	85,000	85,000	80,000
	351,000	351,000	314,173	245,213
Excess or (Deficit) in Actual Revenues and Expenses			33,827	58,937
Reconciliation of Budgetary Basis To Change in Net Position:				
Net Position Utilized			(36,000)	(36,150)
Depreciation			(16,082)	(16,639)
Renewal and Replacement (Net)			85,000	80,000
			32,918	27,211
Change in Net Position			66,745	86,148

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, 2025

	Unrestricted		Restricted				
		Invested in Capital Assets	Current Debt Service	Renewal and Replacement	Operations	Landfill Cell Closure/ Postclosure	Total
Operating Revenue:							
Tipping Fees	13,269,918						13,269,918
Recycle Markets	230,863						230,863
Operating Grant	162,000						162,000
Interest from Users	4,011						4,011
Landfill Gas Sales	145,155						145,155
Interest on Operating Investments	648,884						648,884
Miscellaneous	34,529						34,529
	14,495,360	0	0	0	0	0	14,495,360
Operating Expenses:							
Administration, Operations, Maintenance and Reserves	9,931,153						9,931,153
Depreciation		3,204,283					3,204,283
	9,931,153	3,204,283	0	0	0	0	13,135,436
Operating Income	4,564,207	(3,204,283)		0	0	0	1,359,924
Non-Operating Revenues / (Expenses):							
Interest Income				42,669		306,568	349,237
Budget Appropriation				400,000		600,000	1,000,000
Investment Expenses	(175,878)					(35,625)	(211,503)
Loss on Disposal of Equipment	(25,994)						(25,994)
Interest Expense	(1,000,627)						(1,000,627)
Lease Interest	(8,555)						(8,555)
Cell Closure Expenditures (Net)		47,806				(193,149)	(145,343)
Postclosure Expenditures (Net)						(1,082,971)	(1,082,971)
Renewal & Replacement Expenditures		174,828		(174,828)			0
Amortization		109,719					109,719
Income or (Loss) Before Transfers	3,353,153	(2,871,930)	0	267,841	0	(405,177)	343,887
Transfers:							
Capital Expenditures	(2,683,501)	2,683,501					0
Bond Principal Payments	(2,609,883)	2,609,883					0
Other	313,157	(1,379,558)			466,401	600,000	0
Increase/(Decrease) in Net Position	(1,627,074)	1,041,896	0	267,841	466,401	194,823	343,887
Net Position - December 1,	(1,986,995)	12,004,378		1,099,694	2,767,000	(6,674,115)	7,209,962
Net Position - November 30,	(3,614,069)	13,046,274	0	1,367,535	3,233,401	(6,479,292)	7,553,849
Designated	3,000,000						
Undesignated	(6,614,069)						
	(3,614,069)						

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, 2025

	Trustee Revenue Account	Revenue Operating Account	Petty Cash	General Fund
Cash, Cash Equivalents and Investments - December 1, 2024	1,080,398	2,255,547	2,600	14,962,818
Cash Receipts:				
Solid Waste Revenues		14,053,512		
Interest on Investments	41,660			550,630
Budget Appropriation				
Landfill Gas Purchase		145,155		
NJ Infrastructure Trust				
Other		309,580		
Transfers	14,553,150	11,827,290		
Total Cash Receipts	14,594,810	26,335,537	-	550,630
Cash and Investments Available	15,675,208	28,591,084	2,600	15,513,448
Cash Disbursements:				
Operations		11,867,322		
Project Expenses				
Principal Payments	2,269,419			
Interest Payments	831,460			
Other	69,927	94,669		
Transfers	11,206,021	14,553,150		1,698,000
Total Cash Disbursements	14,376,827	26,515,141	-	1,698,000
Cash, Cash Equivalents and Investments - November 30, 2025	1,298,381	2,075,943	2,600	13,815,448
Analysis of Balance:				
Unrestricted	1,264,476	2,075,943	2,600	10,436,892
Restricted	33,905	-	-	3,378,556
	1,298,381	2,075,943	2,600	13,815,448
Cash and Cash Equivalents	1,298,381	2,075,943	2,600	13,815,448
Investments	-	-	-	-
	1,298,381	2,075,943	2,600	13,815,448
Analysis of Restricted Accounts:				
Operations	-			3,233,401
Debt Service	-			145,155
Cell Closure	33,905			-
	33,905			3,378,556

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, 2025

	Construction	Renewal and Replacement	Debt Service Fund	Retained Percentages
Cash, Cash Equivalents and Investments - December 1, 2024	3,426,266	1,099,694	260,071	63,424
Cash Receipts:				
Solid Waste Revenues				
Interest on Investments	50,823	42,669	5,771	
Budget Appropriation		400,000		
Landfill Gas Purchase				
NJ Infrastructure Trust	2,978,521			
Other				35,338
Transfers	174,828		476,731	
Total Cash Receipts	3,204,172	442,669	482,502	35,338
Cash and Investments Available	6,630,438	1,542,363	742,573	98,762
Cash Disbursements:				
Operations				
Project Expenses	2,195,866			
Principal Payments			340,464	
Interest Payments			183,300	
Other	1,089,725		2,985	
Transfers		174,828		
Total Cash Disbursements	3,285,591	174,828	526,749	-
Cash, Cash Equivalents and Investments - November 30, 2025	3,344,847	1,367,535	215,824	98,762
Analysis of Balance:				
Unrestricted	-	-	-	-
Restricted	3,344,847	1,367,535	215,824	98,762
	3,344,847	1,367,535	215,824	98,762
Cash and Cash Equivalents	3,344,847	1,367,535	215,824	98,762
Investments	-	-	-	-
	3,344,847	1,367,535	215,824	98,762

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, 2025

	Cell Closure Account	Landfill Postclosure Account	Total
Cash, Cash Equivalents and Investments - December 1, 2024	3,832,400	12,489,873	39,473,091
Cash Receipts:			
Solid Waste Revenues			14,053,512
Interest on Investments		306,568	998,121
Budget Appropriation	600,000		1,000,000
Landfill Gas Purchase			145,155
NJ Infrastructure Trust			2,978,521
Other	1,104,897	111,324	1,561,139
Transfers	600,000		27,631,999
Total Cash Receipts	2,304,897	417,892	48,368,447
Cash and Investments Available	6,137,297	12,907,765	87,841,538
Cash Disbursements:			
Operations			11,867,322
Project Expenses			2,195,866
Principal Payments			2,609,883
Interest Payments			1,014,760
Other	52,500	35,625	1,345,431
Transfers			27,631,999
Total Cash Disbursements	52,500	35,625	46,665,261
Cash, Cash Equivalents and Investments - November 30, 2025	6,084,797	12,872,140	41,176,277
Analysis of Balance:			
Unrestricted	-	-	13,779,911
Restricted	6,084,797	12,872,140	27,396,366
	6,084,797	12,872,140	41,176,277
Cash and Cash Equivalents	6,084,797	178,385	28,482,522
Investments	-	12,693,755	12,693,755
	6,084,797	12,872,140	41,176,277

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF OPERATING REVENUES
COMPARED TO BUDGET, YEAR ENDED NOVEMBER 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2024

	FY 2025 Budget	FY 2025 Budget after Modifications	FY 2025 Actual	FY 2024 Actual
Revenue:				
Net Position Appropriated	1,500,000	1,500,000	1,500,000	1,000,000
Tipping Fees	12,985,000	12,985,000	13,269,918	13,025,752
Gross Sales on Recycle Markets	265,000	265,000	230,863	289,817
Interest on Investment and Deposits	85,000	85,000	648,884	822,213
Interest from Users	6,000	6,000	4,011	7,516
Operating Grant	165,000	165,000	162,000	162,000
Landfill Gas Sales	155,000	155,000	145,155	171,813
Miscellaneous	33,000	33,000	34,529	18,311
Total Revenue	15,194,000	15,194,000	15,995,360	15,497,422
Expenses:				
Operating and Maintenance (LF)				
(1) Salaries	3,000,000	3,000,000	2,823,164	2,752,765
(2) Benefits	1,994,250	1,994,250	1,560,786	1,435,788
(2) PERS	428,500	428,500	380,669	372,323
(3) Personnel Services	35,500	35,500	37,331	36,350
(4) Engineering and Consulting	105,500	105,500	86,458	111,825
(5) Legal Fees	20,000	20,000	1,595	11,762
(6) Indirect Administrative	905,600	905,600	824,624	700,678
(7) Trustee and Banking Fees	18,500	18,500	8,500	8,500
(8) Insurance	298,200	298,200	289,203	283,008
(9) Auditing/Accounting Fees	2,000	2,000	4,000	3,500
(10) Seminars and Dues	18,500	18,500	11,064	19,686
(11) Travel and Expenses	3,750	3,750	2,834	3,280
(12) Office Supplies	11,000	11,000	11,893	7,427
(14) Advertising	6,000	6,000	6,849	2,102
(15) Printing	5,000	5,000	1,506	1,393
(16) Postage	200	200	63	
(17) Publications and Subscriptions	1,000	1,000		157
(18) Custodial Supplies	10,000	10,000	12,415	13,901
(19) Safety Equipment	15,500	15,500	7,549	16,088
(20) Chemicals/Supplies	337,000	337,000	331,384	164,767
(21) Plant Supplies	28,000	28,000	20,185	27,132
(22) Testing Services	95,000	95,000	92,078	89,425
(23) Outside Services	192,500	172,500	165,563	148,045
(24) Utilities	465,000	465,000	334,698	337,042
(25) Motor Vehicles and Equipment	414,000	414,000	250,031	220,042
(26) Equipment/Stationary	27,500	27,500	24,667	27,727
(27) Electrical Equipment/Repairs	43,000	43,000	42,889	42,850
(28) Leachate Disposal	450,000	450,000	450,000	451,233
(29) Recycling Services	120,000	120,000	78,307	128,174
(30) Landfill Gas System	78,000	68,000	62,168	69,257
(31) Host Community Benefit Payments	550,000	550,000	544,566	536,649
(32) Special Accounts	110,000	110,000	110,960	109,258
(33) Taxes and Fees	644,000	644,000	582,443	598,199
	10,433,000	10,403,000	9,160,442	8,730,333

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF OPERATING REVENUES
COMPARED TO BUDGET, YEAR ENDED NOVEMBER 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED NOVEMBER 30, 2024

	FY 2025 Budget	FY 2025 Budget after Modifications	FY 2025 Actual	FY 2024 Actual
Capital Outlay	35,000	65,000	14,136	
Debt Service:				
Bond Principal	2,615,000	2,615,000	2,615,000	1,949,900
Interest on Bonds	1,111,000	1,111,000	1,000,627	1,262,455
	3,726,000	3,726,000	3,615,627	3,212,355
Reserves:				
Renewal and Replacement	400,000	400,000	400,000	200,000
Cell Closure	600,000	600,000	600,000	600,000
	1,000,000	1,000,000	1,000,000	800,000
Total Solid Waste Appropriations	15,194,000	15,194,000	13,790,205	12,742,688
Excess or Deficit in Actual Revenues and Expenses			2,205,155	2,754,734
Reconciliation of Budgetary Basis To Change in Net Position:				
Depreciation Expense			(3,204,283)	(3,236,153)
Amortization			109,719	109,719
Net Position Appropriated			(1,500,000)	(1,000,000)
Debt Issuance Costs				(540,831)
Gain/(Loss) on Disposal of Equipment			(25,994)	149,700
Lease Interest			(8,555)	(50,580)
Adjustment to Pension Expense			229,506	226,205
Adjustment to OPEB Expense			(217)	142,529
Interest on Non-Operating Investments			349,237	308,666
Investment Expenses			(211,503)	(120,311)
Net Closure/Postclosure Care Expenses			(1,228,314)	676,277
Capital Outlay			14,136	
Budget Appropriation - Renewal & Replacement			400,000	200,000
Budget Appropriation - Cell Closure			600,000	600,000
Bond Principal Payments			2,615,000	1,949,900
Change in Net Position			343,887	2,169,855

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Date	Interest Rate	Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
New Jersey Environmental Infrastructure Trust - Trust Loan Series 2018A-1	05/22/18	$ 1,990,000	08/01/26	5.000%	255,000				
			08/01/27	5.000%	265,000				
						760,000		240,000	520,000
New Jersey Environmental Infrastructure Trust - Fund Loan Series 2018A-1	05/22/18	$ 6,538,469	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				
						1,718,053		676,393	1,041,660

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Date	Interest Rate	Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
New Jersey Environmental Infrastructure Trust - Trust Loan Series 2022A-2	12/22/22	$ 3,905,000	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				
						3,840,000		65,000	3,775,000

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Date	Interest Rate	Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
New Jersey Environmental Infrastructure Trust - Fund Loan Series 2022A-2	12/22/22	$ 4,252,548	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, 2025

Description	Original Issue Date	Original Issue Amount	Date	Interest Rate	Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
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				
						4,013,641		143,345	3,870,296

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Date	Interest Rate	Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
Solid Waste Revenue Bonds Series 2021	08/17/21	$ 5,375,000	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				
						5,205,000		115,000	5,090,000

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Date	Interest Rate	Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
New Jersey Infrastructure Bank - Trust Loan									
Series 2023A-W1/C-W1	12/15/23	$ 17,576,126	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		405,000	17,171,126

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

SOLID WASTE FACILITIES FUND
SCHEDULE OF BONDS AND LOANS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Date	Interest Rate	Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
New Jersey Environmental Infrastructure Bank - Fund Loan									
Series 2023A-W1/C-W1	12/15/23	$ 14,464,074	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, 2025

Description	Original Issue Date	Original Issue Amount	Date	Interest Rate	Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
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				
						13,985,844		965,145	13,020,699
GRAND TOTAL						47,098,664		2,609,883	44,488,781
				Current Portion		2,609,883			2,654,882
				Long-Term Portion		44,488,781			41,833,899
						47,098,664			44,488,781

Schedule 15

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

OTHER SEWER COMPANIES
STATEMENT OF NET POSITION
FOR THE YEAR ENDED NOVEMBER 30, 2025

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

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, 2025

	Unrestricted	Invested in Capital Assets	Restricted		Total
			Renewal and Replacement	Debt Service	
Operating Revenue:					
User Charges	824,400				824,400
Interest on Investments	15,438		10,735	3,975	30,148
Connection Fees	6,750				6,750
Miscellaneous	1,500				1,500
	848,088	-	10,735	3,975	862,798
Operating Expenses:					
Operating, Maintenance and Reserves	482,486				482,486
Depreciation		340,574			340,574
	482,486	340,574	-	-	823,060
Operating Income	365,602	(340,574)	10,735	3,975	39,738
Non-Operating Revenue/(Expenses):					
Budget Appropriation			150,000		150,000
Interest Expense	(176,354)				(176,354)
Income/(Loss) Before Contributions and Transfers	189,248	(340,574)	160,735	3,975	13,384
Transfers:					
Other	2,157			(2,157)	-
Capital Expenditures	(23,212)	23,212			-
Bond Principal Payment	(140,243)	140,243			-
Increase (Decrease) in Net Position	27,950	(177,119)	160,735	1,818	13,384
Net Position - December 1,	509,502	3,721,819	272,854	69,670	4,573,845
Net Position - November 30,	537,452	3,544,700	433,589	71,488	4,587,229
Designated	45,000				
Undesignated	492,452				
	537,452				

Schedule 17

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, 2025

	Depository Account	Revenue Fund	Operating Fund	Bond Service Fund	Renewal & Replacement Fund	Total
Cash, Cash Equivalents and Investments- December 1, 2024	5,000	442,237	47,335	168,510	272,854	935,936
Cash Receipts:						
Interest on Investments		15,438		3,975	10,735	30,148
User Charges	824,400					824,400
Connection Fees	6,750					6,750
Budget Appropriation					150,000	150,000
Other	12,477					12,477
Transfers		843,627	816,871	305,583		1,966,081
Total Cash Receipts	843,627	859,065	816,871	309,558	160,735	2,989,856
Total Cash And Investments Available	848,627	1,301,302	864,206	478,068	433,589	3,925,792
Cash Disbursements:						
Expenses			498,455			498,455
Principal Payments			140,243			140,243
Interest Payments			178,173			178,173
Transfers	843,627	804,038		318,416		1,966,081
Total Cash Disbursements	843,627	804,038	816,871	318,416	-	2,782,952
Cash, Cash Equivalents and Investments- November 30, 2025	5,000	497,264	47,335	159,652	433,589	1,142,840
Analysis of Balance:						
Unrestricted	5,000	497,264	47,335	444	-	550,043
Restricted	-	-	-	159,208	433,589	592,797
	5,000	497,264	47,335	159,652	433,589	1,142,840
Cash and Cash Equivalents	5,000	497,264	47,335	159,652	433,589	1,142,840
Investments	-	-	-	-	-	-
	5,000	497,264	47,335	159,652	433,589	1,142,840

Schedule 18

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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED NOVEMBER 30, 2024

	FY 2025 Budget	FY 2025 Budget After Modification	FY 2025 Actual	FY 2024 Actual
Revenue:				
Net Position Utilized	45,000	45,000	45,000	45,000
User Charges	824,400	824,400	824,400	758,000
Connection Fees	10,000	10,000	6,750	8,859
Interest on Investments and Deposits	4,600	4,600	30,148	29,632
Miscellaneous			1,500	
Total Operating Revenue	884,000	884,000	907,798	841,491
Expenses:				
Operating and Maintenance				
(1) Engineering and Consulting Services	5,000	5,000		45
(2) Legal Fees	2,300	2,300		
(3) Indirect Administration, Legal and Fiscal Expenses	67,000	67,000	61,009	54,423
(4) Trustee and Banking Fees	1,500	1,500	1,800	1,800
(6) Insurance	12,900	12,900	12,413	12,123
(7) Printing Expenses	200	200		
(8) Safety Equipment	500	500	28	431
(9) Chemicals	4,000	4,000	2,945	1,065
(10) Laboratory Supplies	2,000	2,000	1,644	210
(11) Plant Supplies	600	600	278	56
(12) Testing Services	1,700	1,700	720	675
(13) Outside Services	26,800	26,800	32,036	23,019
(14) Utilities	57,500	57,500	64,036	53,853
(15) Motor Vehicles and Equipment	200	200	162	162
(16) Equipment/Stationary	44,000	44,000	17,801	7,107
(17) Electrical and Mechanical Equipment Repair	3,000	3,000	330	440
(18) Payment to Upper Wallkill for Operating and Maintenance Services	123,300	123,300	123,300	106,300
(19) Taxes and Fees	13,000	13,000	13,984	12,918
Total Operating and Maintenance Expenses	365,500	365,500	332,486	274,627
Capital Outlays	50,000	50,000	-	21,015
Reserves:				
Renewal and Replacement	150,000	150,000	150,000	120,000
Debt Service:				
Principal	142,100	142,100	140,243	138,500
Interest	176,400	176,400	176,354	179,968
	318,500	318,500	316,597	318,468
	884,000	884,000	799,083	734,110
Excess or (Deficit) in Actual Revenues and Expenses			108,715	107,381
Reconciliation of Budgetary Basis To Change in Net Position:				
Net Position Utilized			(45,000)	(45,000)
Budget Appropriation - Renewal and Replacement			150,000	120,000
Depreciation			(340,574)	(339,244)
Capital Outlay				21,015
Debt Service Principal			140,243	138,500
			(95,331)	(104,729)
Change in Net Position			13,384	2,652

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULINSKILL WATER RECLAMATION SYSTEM
SCHEDULE OF USDA LOANS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Interest Rate	Maturities Date	Maturities Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
United States Department of Agriculture - Rural Development Loan No. 1	09/20/16	$ 5,496,000	2.750%	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, 2025

Description	Original Issue Date	Original Issue Amount	Interest Rate	Maturities Date	Maturities Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
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				
						4,851,741		96,308	4,755,433

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULINSKILL WATER RECLAMATION SYSTEM
SCHEDULE OF USDA LOANS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Interest Rate	Maturities Date	Maturities Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
United States Department of Agriculture - Rural Development Loan No. 3	09/20/16	$ 757,000	2.250%	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	8,031				
				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, 2025

Description	Original Issue Date	Original Issue Amount	Interest Rate	Maturities Date	Maturities Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
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				
						659,493		14,281	645,212

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

PAULINSKILL WATER RECLAMATION SYSTEM
SCHEDULE OF USDA LOANS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Interest Rate	Maturities Date	Maturities Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
United States Department of Agriculture - Rural Development Loan No. 5	09/20/16	$ 1,572,000	2.250%	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

PAULINSKILL WATER RECLAMATION SYSTEM
SCHEDULE OF USDA LOANS PAYABLE
NOVEMBER 30, 2025

Description	Original Issue Date	Original Issue Amount	Interest Rate	Maturities Date	Maturities Amount	Balance Dec. 1, 2024	Issued	Refunded or Paid	Balance Nov. 30, 2025
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				
						1,369,543		29,654	1,339,889
GRAND TOTAL						6,880,777	-	140,243	6,740,534
				Current Portion		140,243			143,904
				Long-Term Portion		6,740,534			6,596,630
						6,880,777			6,740,534

Schedule 20

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, 2025

Cash, Cash Equivalents and Investments- December 1, 2024	224,429
Cash Receipts:	
Operating Grants	282,056
Other Receipts	181,651
Total Cash Receipts	463,707
Total Cash And Investments Available	688,136
Cash Disbursements:	
Project Expenses	545,315
Total Cash Disbursements	545,315
Cash, Cash Equivalents and Investments- November 30, 2025	142,821
Analysis of Balance:	
Unrestricted	142,821
Restricted	-
	142,821
Cash and Cash Equivalents	142,821
Investments	-
	142,821

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2025

	Administrative Services
ASSETS	
Current Assets	
Cash and Cash Equivalents	510,894
Prepaid Expenses	5,692
Total Current Assets	516,586
Restricted Assets	
Cash and Cash Equivalents	280,137
Investments	406,291
Total Noncurrent Assets	686,428
Total Assets	1,203,014
LIABILITIES	
Current Liabilities	
Accounts Payable	5,182
Payroll Taxes Payable	9,011
Due to Other Funds	502,393
Total Current Liabilities	516,586
Total Liabilities	516,586
NET POSITION	
Restricted:	
Reserve for Unemployment Insurance	686,428
Total Net Position	686,428

Schedule 22

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, 2025

	Administrative Services
Operating Revenues:	
User Charges	1,838,648
Interest Income	8,340
Unemployment Contributions	9,246
Total Operating Revenue	1,856,234
Operating Expenses:	
Administrative and General Expenses	1,838,648
Unemployment Claims	12,748
Total Operating Expenses	1,851,396
Operating Income	4,838
Net Position - Beginning	681,590
Net Position - Ending	686,428

Schedule 23

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2025

	Administrative Services
Cash Flows From Operating Activities:	
Cash Received from Users	1,838,648
Other Operating Receipts	9,246
Interest Received	8,340
Cash Paid to Employees	(939,262)
Cash Paid for Employee Benefits	(622,321)
Cash Paid to Suppliers and Professional contractors	(376,503)
Net Cash Provided/(Required) By Operating Activities	(81,852)
Cash Flows From Investing Activities:	
Sales (Purchases) of Investments	(7,433)
Net Cash Provided/(Required) By Investing Activities	(7,433)
Increase/(Decrease) In Cash And Cash Equivalents	(89,285)
Cash And Cash Equivalents - December 1,	880,316
Cash And Cash Equivalents - November 30,	791,031
Classified As:	
Unrestricted Assets	510,894
Restricted Assets	280,137
	791,031
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	4,838
Items Affecting Cash from Operations:	
Decrease / (Increase) in:	
Prepaid Expenses	(115)
Increase / (Decrease) in:	
Accounts Payable and Accrued Liabilities	(800)
Due to Other Funds	(85,775)
Net Cash Provided/(Required) by Operating Activities	(81,852)

Government Auditing Standards Report

WIELKOTZ & COMPANY LLC
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, 2025, and the related notes to the financial statements, and have issued our report thereon dated October 13, 2026.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 responses as item 2025-001.

Sussex County Municipal Utilities Authority Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Sussex County Municipal Utilities Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and responses.

The Sussex County Municipal Utilities Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on 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.

Wielkotz & Company, LLC

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

October 13, 2026

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Expenditures of Federal Awards
Fiscal Year Ended November 30, 2025

Federal Grantor/Pass-Through Grantor/Program	Federal AL Number	Pass-Through Entity ID Number	Program Amount	Grant Period From	Grant Period To	Cash Received Prior Years	Cash Received Current Year	Cash Received Total	Program Expenditures Prior Years	Program Expenditures Current Year	Program Expenditures 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											
NJDEP Loan	66.458	S342008-06	$ 17,895,544	12/01/20	09/30/24	17,599,991	295,553	17,895,544	17,895,544		17,895,544
NJDEP Loan	66.458	S342008-07	$ 2,695,786	12/01/23	11/30/25	1,127,474	1,290,548	2,418,022	1,954,151	463,871	2,418,022
Total for Program						18,727,465	1,586,101	20,313,566	19,849,695	463,871	20,313,566
Performance Partnership Grants:											
Imp. Of Sussex County Restoration and Stewardship Initiative	66.605	042-4801-100-442	$ 800,000	10/01/17	11/30/25	720,000	40,000	760,000	769,208		769,208
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	-	42,724
Priority Watershed WBP/TMDL Implementation - Climate & Community Resiliency in the Papakating Creek and Clove Brook Watersheds	66.605	042-4801-100-442	$ 609,435	05/09/23	07/03/26	182,830	-	182,830	96,578	133,273	229,851
Total for Program						945,554	40,000	985,554	908,510	133,273	1,041,783
Total Environmental Protection Agency						19,673,019	1,626,101	21,299,120	20,758,205	597,144	21,355,349
U.S. Department of Agriculture:											
Natural Resources Conservation Service:											
Soil and Water Conservation	10.902	N/A	$ 395,881	08/06/21	07/31/25	306,198	68,789	374,987	334,649	61,232	395,881
Total for Program						306,198	68,789	374,987	334,649	61,232	395,881
Total Department of Agriculture						306,198	68,789	374,987	334,649	61,232	395,881
U.S. Department of the Interior - National Fish and Wildlife Foundation:											
Pass Through The Nature Conservancy:											
Community Driven Wetland Restoration in the Upper Paulinskill Watershed	15.663	N/A	$ 70,116	10/01/20	07/31/24	63,088	7,028	70,116	70,116		70,116
Ecological Uplift of the Former Culver Lake Golf Course	15.663	N/A	$ 224,826	03/01/24	03/01/26	-	117,829	117,829	14,975	109,596	124,571
Total for Program						63,088	124,857	187,945	85,091	109,596	194,687
Total Department of the Interior						63,088	124,857	187,945	85,091	109,596	194,687
Total Expenditures of Federal Awards						20,042,305	1,819,747	21,862,052	21,177,945	767,972	21,945,917

NOTE: This schedule was not subject to an audit in accordance with Title 2, U.S. Code of Federal Regulations, Part 200.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Expenditures of State Financial Assistance
Fiscal Year Ended November 30, 2025

State Grantor/Pass-Through Grantor/Program	Pass Through Entity ID No.	State Account Number	Program Amount	Grant Period From	Grant Period To	Cash Received Prior Years	Cash Received Current Year	Cash Received Total	Program Expenditures Prior Years	Program Expenditures Current Year	Program Expenditures Total
New Jersey Department of Environmental Protection:											
NJ Infrastructure Bank			$ 14,464,074	12/01/20	09/30/24	14,362,202	101,872	14,464,074	14,464,074		14,464,074
NJIB Trust Loan	S342008-06		2,695,787	12/01/23	11/30/25	1,127,475	1,290,548	2,418,023	1,954,151	463,872	2,418,023
NJIB Trust Loan	S342008-07										
						15,489,677	1,392,420	16,882,097	16,418,225	463,872	16,882,097
Priority Watershed WBP/TMDL Implementation - Upper Paulinskill	N/A	100-4850-100-099	$ 147,276	10/31/20	06/30/25	128,276		128,276	134,349		134,349
Recycling Enhancement Act Tax Fund (2022)	N/A	042-4910-100-224	$ 162,000	06/01/22	05/31/23	-	162,000	162,000	162,000	-	162,000
Recycling Enhancement Act Tax Fund (2023)	N/A	042-4910-100-224	$ 162,000	06/01/23	05/31/24	-	162,000	162,000	162,000	-	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
Recycling Enhancement Act Tax Fund (2025)	N/A	042-4910-100-224	$ 162,000	06/01/25	05/31/26	-	-	-	-	-	-
						-	324,000	324,000	324,000	162,000	486,000
New Jersey Department of Agriculture:											
Pass through Upper Delaware Soil Conservation District:											
Manure and Composting Storage Structures on NJ Livestock Farms	N/A		$ 29,087	04/01/25	08/31/25	-	29,086	29,086	-	29,086	29,086
Total State Financial Assistance						15,617,953	1,745,506	17,363,459	16,876,574	654,958	17,531,532

NOTE: This schedule was not subject to an audit in accordance with State of New Jersey OMB Circular 25-12.

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED NOVEMBER 30, 2025

FINDING:

2025-001* CONDITION:

The Authority has a shortfall in the funding of its solid waste facility 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, require 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 steps be taken to fully fund the Authority's accrued cell closure liabilities.

VIEWS OF RESPONSIBLE OFFICIALS/CORRECTIVE ACTION:

The Authority continues to make provisions in its annual budget to fund the shortfall in its cell closure reserve.

* Indicates repeat finding.

General Comments

SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

GENERAL COMMENTS

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

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to $53,000. 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, be 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.

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.

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

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

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

Wielkotz & Company, LLC

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