GLOUCESTER COUNTY UTILITIES AUTHORITY

REPORT OF AUDIT

FOR THE FISCAL YEARS ENDED

OCTOBER 31, 2023 AND 2022

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

32450

GLOUCESTER COUNTY UTILITIES AUTHORITY
Table of Contents

Exhibit No.		Page No.
	Roster of Officials	1
	PART - 1 FINANCIAL SECTION	
	Independent Auditor's Report	3
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards – Independent Auditor's Report	6
	Management's Discussion and Analysis	8
	Basic Financial Statements	
A	Statements of Net Position	13
B	Statements of Revenue, Expenses and Changes in Net Position	15
C	Statements of Cash Flows	16
	Notes to Financial Statements	17
	Required Supplementary Information	
RSI-1	Schedule of the Authority's Proportionate Share of the Net OPEB Liability – State Plan	56
RSI-2	Schedule of Authority's OPEB Contributions – State Plan	57
RSI-3	Schedule of the Authority's Proportionate Share of the Net Pension Liability - PERS	58
RSI-4	Schedule of the Authority's Pension Contributions – PERS	59
	Notes to Required Supplementary Information	60
Schedule No.	Supplementary Schedules	
1	Schedule of Anticipated Revenues, Operating Appropriations, Principal Payments and Non-Operating Appropriations Compared to Budget–Non-GAAP - (Budgetary) Basis	63
2	Schedule of Revenue Bonds Payable	67
3	Schedule of Loans Payable	68
	PART - 2 SCHEDULE OF FINDINGS AND RECOMMENDATIONS	
	Schedule of Findings and Recommendations	78
	Summary Schedule of Prior Year Audit Findings and Questioned Costs As Prepared By Management	79
	APPRECIATION	80

32450

GLOUCESTER COUNTY UTILITIES AUTHORITY
Roster of Officials
October 31, 2023

Commissioners	**Position**
Howard W. Bruner	Chairman
James Sabetta	Vice-Chairman
Walter Berglund	Secretary
Salvatore Fogarino	Treasurer
Thomas Bianco	Commissioner
Edward Coryell	Commissioner
Ralph Cossaboon	Commissioner
Richard Giuliani	Commissioner
Danielle M. Halpin	Commissioner
Frank J. DiMarco	County Commissioner-Liaison to GCUA

Management	**Position**
John J. Vinci, Sr.	Executive Director
Rocco Ficara	Assistant Executive Director
Edward Bowman	Manager of Operations
Tracy N. Giordano	CFO / Treasurer
Colleen O'Brien	Office Manager / Accounts Supervisor

Professionals	**Position**
James P. Pierson, Esquire	Solicitor
Remington & Vernick Engineers	Engineer
Bowman & Company, LLP	Auditor

GLOUCESTER COUNTY UTILITIES AUTHORITY

PART 1

FINANCIAL SECTION

For the Fiscal Years Ended October 31, 2023 and 2022

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
Gloucester County Utilities Authority
West Deptford, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Gloucester County Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the County of Gloucester (Authority) , as of and for the fiscal years ended October 31, 2023 and 2022 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Gloucester County Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the County of Gloucester, as of October 31, 2023 and 2022, and the changes in its financial position and its cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Gloucester County Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the County of Gloucester, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Prior Period Restatement

During the fiscal year ended October 31, 2023, the Authority became aware of a loan receivable that was not recorded in the prior fiscal year. As a result, a restatement of the Authority's Current Unrestricted Assets, Non-Current Assets, Non-operating Revenues (Expenses), Change in Net Position, and Unrestricted Net Position was required, as described in Note 12 to the financial statements. Our opinion is not modified with respect to this matter.

6 North Broad Street | Suite 201 | Woodbury, NJ 08096-4635 | P 856.853.0440 | F 856.845.4128 www.bowman.cpa

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of the net OPEB liability, schedule of the Authority's OPEB contributions, schedule of the Authority's proportionate share of the net pension liability and schedule of the Authority's pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
January 8, 2025

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
Gloucester County Utilities Authority
West Deptford, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Gloucester County Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the County of Gloucester, (Authority), as of and for the fiscal year ended October 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 8, 2025. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from a prior period misstatement.

Report on Internal Control Over Financial Reporting

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

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

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

6 North Broad Street | Suite 201 | Woodbury, NJ 08096-4635 | P 856.853.0440 | F 856.845.4128 www.bowman.cpa

32400

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
January 8, 2025

Gloucester County Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended October 31, 2023 and 2022
(Unaudited)

FINANCIAL HIGHLIGHTS

Management believes the financial position of the Gloucester County Utilities Authority (the "Authority") to be strong with the current year change in net position of $3,670,439.38. According to Section 612 of the Authority's Bond Resolution, the Authority has a sufficiency of revenue requirement to ensure the Authority maintains rates and charges to cover the Authority's Bond Resolution requirements. Per Note 2 of the Notes to Financial Statements, the Authority exceeded this requirement by $2,198,843.44.

Key financial highlights for the Authority's fiscal year 2023 were:

- Operating revenues for fiscal year 2023 were $23,969,563.35 as compared to $23,049,837.24 for fiscal year 2022.
- Operating expenses for fiscal year 2023 were $19,698,868.70 as compared to $18,457,774.84 for fiscal year 2022.
- Operating income for fiscal year 2023 was $4,270,694.65 as compared to $4,592,062.40 for fiscal year 2022.
- Change in net position for fiscal year 2023 was an increase of $3,670,439.38 as compared to an increase of $3,668,106.11 for fiscal year 2022.
- At year-end, total net position was $44,805,882.39 as compared to $41,135,443.01 for fiscal year 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of five parts – Independent Auditor's Report, the management's discussion and analysis (this section), the basic financial statements, required supplementary information and supplemental schedules.

The basic financial statement report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources. As the Authority follows the accrual method of accounting, the current fiscal year's revenues and expenses are accounted for in the statement of revenue, expenses and changes in net position regardless of when cash is received or paid. Net position, the difference between the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, is a measure of the Authority's financial health or position.

The statement of revenue, expenses and changes in net position provides a breakdown of the various areas of revenues and expenses encountered during the current fiscal year.

The statement of cash flows provide a breakdown of the various sources of cash flow, categorized into four areas: cash flows from operating activities, non-capital financing activities, capital and related financing activities and investing activities.

Gloucester County Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended October 31, 2023 and 2022
(Unaudited)

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

The Authority's total net position was $44,805,882.39 as of October 31, 2023 as shown below:

GLOUCESTER COUNTY UTILITIES AUTHORITY
Statements of Net Position
As of October 31, 2023, 2022 and 2021

	2023	Restated 2022	2021	Change from 2022 to 2023 Amount	Percentage
Unrestricted Assets	$ 21,471,146.04	$ 19,511,224.60	$ 21,863,767.84	$ 1,959,921.44	10.05%
Restricted Assets	32,821,213.72	41,545,353.62	42,297,258.06	(8,724,139.90)	-21.00%
Noncurrent Assets	78,520,949.32	70,926,348.55	67,086,457.04	7,594,600.77	10.71%
	132,813,309.08	131,982,926.77	131,247,482.94	830,382.31	0.63%
Deferred Outflows of Resources	7,377,006.91	5,743,443.11	5,039,115.38	1,633,563.80	28.44%
Current Liabilities	20,030,920.61	18,358,416.90	16,658,596.30	1,672,503.71	9.11%
Long Term Liabilities	65,322,186.08	68,210,357.97	70,442,778.12	(2,888,171.89)	-4.23%
	85,353,106.69	86,568,774.87	87,101,374.42	(1,215,668.18)	-1.40%
Deferred Inflows of Resources	10,031,326.91	10,022,152.00	11,717,887.00	9,174.91	0.09%
Net Position					
Net Investment in Capital Assets	23,005,221.08	15,225,356.09	12,773,760.65	7,779,864.99	51.10%
Restricted	14,606,161.56	14,688,523.06	14,992,626.73	(82,361.50)	-0.56%
Unrestricted	7,194,499.75	11,221,563.86	9,700,949.52	(4,027,064.11)	-35.89%
	$ 44,805,882.39	$ 41,135,443.01	$ 37,467,336.90	$ 3,670,439.38	8.92%

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (CONT'D)

For the current fiscal year, the Authority realized operating income of $4,270,694.65 and net non-operating revenues (expenses) totaling $(600,255.27), resulting in a change in net position for the current fiscal year of $3,670,439.38. Major components of this activity are detailed in the statement below:

GLOUCESTER COUNTY UTILITIES AUTHORITY
Statements of Revenue, Expenses and Changes in Net Position
For the Fiscal Year Ended October 31, 2023, 2022 and 2021

	2023	Restated 2022	2021	Change from 2022 to 2023 Amount	Percentage
Operating Revenues:					
Service Charges	$ 21,548,260.82	$ 20,845,224.24	$ 23,170,881.56	$ 703,036.58	3.37%
Connection Fees	1,718,440.70	1,795,947.00	992,161.30	(77,506.30)	-4.32%
Other Operating Revenues	702,861.83	408,666.00	407,271.05	294,195.83	71.99%
Total Operating Revenues	23,969,563.35	23,049,837.24	24,570,313.91	919,726.11	3.99%
Operating Expenses:					
Operating Expenses	16,115,536.54	14,835,344.94	13,860,531.84	1,280,191.60	8.63%
Depreciation	3,583,332.16	3,622,429.90	3,704,122.56	(39,097.74)	-1.08%
Total Operating Expenses	19,698,868.70	18,457,774.84	17,564,654.40	1,241,093.86	6.72%
Operating Income	4,270,694.65	4,592,062.40	7,005,659.51	(321,367.75)	-7.00%
Non-operating Revenue (Expenses)	(600,255.27)	(923,956.29)	(3,578,246.58)	323,701.02	-35.03%
Change in Net Position	3,670,439.38	3,668,106.11	3,427,412.93	2,333.27	0.06%
Net Position November 1	41,135,443.01	37,467,336.90	34,039,923.97	3,668,106.11	9.79%
Net Position October 31	$ 44,805,882.39	$ 41,135,443.01	$ 37,467,336.90	$ 3,670,439.38	8.92%

Gloucester County Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended October 31, 2023 and 2022
(Unaudited)

OVERALL ANALYSIS

The Authority's financial position remains strong. The Authority was able to realize the budgeted revenues for the fiscal year ending October 31, 2023. The Authority was also able to meet its sufficiency of revenue requirement in the current period.

The Authority has not experienced any decrease in the number of intergovernmental and public customer billing base.

Connection fee revenue in the current fiscal year was $1,718,440.70. Potential users of the system pay connection fees upon submittal of plans to connect into the Authority's systems. The Authority recognizes these payments as revenue on the date payment is received.

Overall, the Authority believes its financial position has improved in the current fiscal year with the positive change in net position. Net position has increased by $3,670,439.38 to $44,805,882.39.

BUDGET VARIANCES

The Authority's fiscal year 2023 projected revenues were collected and were sufficient to satisfy all fiscal 2023 operating and non-operating expenditures.

Actual operating revenues in the amount of $24,077,649.35 exceeded the adopted budget of $23,890,000.00 by $187,649.35, primarily due to connection fees.

Actual budgetary expenditures of $23,175,425.91 were less than the adopted budget of $27,361,013.00 by $4,185,587.09. Individual appropriation budget variances are detailed in Schedule 1.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The Authority continues to maintain a proactive maintenance philosophy for its capital facilities. The Authority capitalized $590,657.49 in capital assets and $1,839,340.00 in construction in progress for fiscal year 2023. The Authority has several ongoing capital projects which are funded through the New Jersey Infrastructure Bank and the Authority's unrestricted net position. The capital program can be found with the adopted budget for the fiscal year along with the analysis of the infrastructure and equipment considered for proper operation of the wastewater system.

During fiscal year 2023, the Authority made Revenue Bond principal payments of $1,080,000.00 and NJIB Loan principal payments of $2,071,988.86.

As of October 31, 2023, the Authority had a balance of $3,055,000.00 for Revenue Bonds and $42,155,451.88 for New Jersey Infrastructure Bank Loans. In addition, the Authority has one New Jersey Infrastructure Bank Note outstanding as of October 31, 2023 in the amount of $13,848,103.00.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide Gloucester County's citizens and our customers, clients, investors and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the public funds it receives. If you have questions about this report or need additional financial information, contact the Executive Director, Gloucester County Utilities Authority, 2 Paradise Road, West Deptford NJ 08066.

BASIC FINANCIAL STATEMENTS

GLOUCESTER COUNTY UTILITIES AUTHORITY
Statements of Net Position
As of October 31, 2023 and 2022

	2023	Restated 2022
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	$ 18,663,800.07	$ 12,400,604.56
Investments		4,130,806.30
Consumer Accounts Receivable	2,710,641.42	2,889,324.74
Loan Receivable - Current Portion	92,318.00	90,489.00
Lease Receivable - Current Portion	4,386.55	-
Total Unrestricted Assets	21,471,146.04	19,511,224.60
Restricted Assets:		
Cash and Cash Equivalents	27,113,609.22	26,017,932.36
Investments		8,072,149.76
Due from State of New Jersey	5,707,604.50	7,455,271.50
Total Restricted Assets	32,821,213.72	41,545,353.62
Total Current Assets	54,292,359.76	61,056,578.22
Noncurrent Assets:		
Loan Receivable	1,384,173.00	1,476,491.00
Lease Receivable	122,927.48	-
Capital Assets:		
Completed (Net of Accumulated Depreciation)	59,660,662.43	60,813,997.10
Construction in Progress	17,353,186.41	8,635,860.45
Total Capital Assets	77,013,848.84	69,449,857.55
Total Non-Current Assets	78,520,949.32	70,926,348.55
Total Assets	132,813,309.08	131,982,926.77
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Defeasance of Debt	113,309.26	129,496.29
Related to Pensions	1,087,714.00	1,692,967.00
Related to Other Post Employment Benefits	6,175,983.65	3,920,979.82
	7,377,006.91	5,743,443.11

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Statements of Net Position
As of October 31, 2023 and 2022

	2023	Restated 2022
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable - Operations	$ 1,150,150.16	$ 735,413.08
Accounts Payable - Related to Pension	737,214.00	722,615.00
Accrued Liabilities	5,208.77	4,839.14
Other Liabilities	-	1,265.00
Developer Escrow Deposits	78,460.55	43,516.55
Total Current Liabilities Payable from Unrestricted Assets	1,971,033.48	1,507,648.77
Current Liabilities Payable from Restricted Assets:		
Revenue Bonds Payable - Current Portion	1,135,000.00	1,080,000.00
Loans Payable - Current Portion	2,091,834.52	2,071,988.86
NJIB Project Note Payable	13,848,103.00	11,500,000.00
Accrued Interest Payable	213,962.97	240,563.26
Contracts Payable	497,410.70	1,946,828.51
Accounts Payable	15,167.50	11,387.50
Retained Percentage Due Contractor	258,408.44	-
Total Current Liabilities Payable from Restricted Assets	18,059,887.13	16,850,768.13
Long-term Liabilities:		
Revenue Bonds Payable	1,920,000.00	3,055,000.00
Loans Payable	40,063,617.36	42,155,451.88
Accrued Compensated Absences	133,482.72	128,297.09
Net Pension Liability	7,989,424.00	8,647,771.00
Accrued Liabilities - Related to Pension	245,738.00	240,872.00
Net Other Post Employment Benefits Liability	14,969,924.00	13,982,966.00
Total Long-term Liabilities	65,322,186.08	68,210,357.97
Total Liabilities	85,353,106.69	86,568,774.87
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	1,016,190.00	1,759,945.00
Related to Other Post Employment Benefits	8,892,024.00	8,262,207.00
Related to Leases	123,112.91	-
	10,031,326.91	10,022,152.00
NET POSITION		
Net Investment in Capital Assets	23,005,221.08	15,225,356.09
Restricted:		
Bond Service Requirement	3,355,767.40	3,325,441.96
Bond Service Reserve Requirement	3,020,295.91	3,123,175.35
Operating Requirement	6,230,098.25	6,239,905.75
System Reserve Requirement	2,000,000.00	2,000,000.00
Unrestricted	7,194,499.75	11,221,563.86
Total Net Position	$ 44,805,882.39	$ 41,135,443.01

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

GLOUCESTER COUNTY UTILITIES AUTHORITY
Statements of Revenue, Expenses and Changes in Net Position
For the Fiscal Years Ended October 31, 2023 and 2022

	2023	Restated 2022
Operating Revenues:		
Service Charges	$ 21,548,260.82	$ 20,845,224.24
Connection Fees	1,718,440.70	1,795,947.00
Sale of Effluent	373,897.45	381,682.07
Other Operating Revenues	328,964.38	26,983.93
Total Operating Revenues	23,969,563.35	23,049,837.24
Operating Expenses:		
Administration:		
Salaries and Wages	581,304.36	458,172.75
Fringe Benefits	784,690.79	622,992.97
Other Expenses	2,762,878.08	3,068,761.55
Cost of Providing Services:		
Salaries and Wages	5,299,295.32	5,288,018.14
Fringe Benefits	699,445.63	367,065.05
Other Expenses	5,987,922.36	5,030,334.48
Depreciation	3,583,332.16	3,622,429.90
Total Operating Expenses	19,698,868.70	18,457,774.84
Operating Income	4,270,694.65	4,592,062.40
Non-operating Revenue (Expenses):		
Investment Income	1,802,138.56	98,282.70
NJIB Earnings and Savings Credits	27,315.00	343,473.33
Lease Revenue	8,793.84	-
Lease Interest	7,407.28	-
Loan Interest	30,513.00	-
Interest Expense	(684,276.53)	(762,676.24)
Reimbursement of Prior Leasehold Expenditures	-	1,566,980.00
Major Repairs and Other Expenses	(387,440.42)	(768,551.08)
County Appropriation	(1,404,706.00)	(1,401,465.00)
Total Non-operating Expenses	(600,255.27)	(923,956.29)
Change in Net Position	3,670,439.38	3,668,106.11
Net Position November 1	41,135,443.01	37,467,336.90
Net Position October 31	$ 44,805,882.39	$ 41,135,443.01

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

GLOUCESTER COUNTY UTILITIES AUTHORITY
Statements of Cash Flows
For the Fiscal Years Ended October 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Receipts from Customers	$ 23,819,282.29	$ 22,947,910.61
Payments to Suppliers	(11,235,812.61)	(10,298,135.09)
Payments to Employees	(5,876,309.42)	(5,744,072.50)
Other Operating Receipts	363,908.38	26,900.68
Net Cash Provided by Operating Activities	7,071,068.64	6,932,603.70
Cash Flows from Noncapital Financing Activities:		
Other Non-Operating Revenue	133,002.00	-
County Appropriation	(1,404,706.00)	(1,401,465.00)
Net Cash Used in Noncapital Financing Activities	(1,271,704.00)	(1,401,465.00)
Cash Flows from Capital and Related Financing Activities:		
Received from State of New Jersey	4,095,770.00	1,615,791.00
Capital Acquisitions	(12,721,993.23)	(5,383,790.22)
Bond Principal	(3,151,988.86)	(3,087,157.47)
Interest Expense	(694,689.80)	(771,826.42)
NJIB Earnings and Savings Credits	27,315.00	343,473.33
Net Cash Used in Capital and Related Financing Activities	(12,445,586.89)	(7,283,509.78)
Cash Flows from Investing Activities:		
Liquidation of Investments	12,202,956.06	14,638,005.26
Investment Income	1,802,138.56	98,282.70
Net Cash Provided by Investing Activities	14,005,094.62	14,736,287.96
Net Change in Cash and Cash Equivalents	7,358,872.37	12,983,916.88
Cash and Cash Equivalents -- November 1	38,418,536.92	25,434,620.04
Cash and Cash Equivalents -- October 31	$ 45,777,409.29	$ 38,418,536.92
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	$ 4,270,694.65	$ 4,592,062.40
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	3,583,332.16	3,622,429.90
GASB 68 Pension Benefit	(777,384.00)	(1,105,270.00)
GASB 75 Other Post Employment Benefit	(638,228.83)	(283,925.76)
Change in Assets and Liabilities:		
Service Charges Receivable	178,683.32	(80,251.45)
Other Accounts Receivable	-	5,308.75
Accounts Payable - Operations	414,737.08	180,214.72
Accrued Liabilities	4,290.26	2,118.39
. Developers' Escrow Deposits	34,944.00	(83.25)
Net Cash Provided by Operating Activities	$ 7,071,068.64	$ 6,932,603.70

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gloucester County Utilities Authority (the "Authority") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Reporting Entity

The Authority is a public body corporate and politic of the State of New Jersey and was originally created as a sewerage authority by a resolution adopted on July 21, 1967 by the governing body of the County of Gloucester (the "County"), pursuant to the Sewerage Authority Law, Chapter 138 of the Laws of 1946, as amended. By resolution of the governing body of the County adopted August 7, 1978, the Authority was reorganized as a county utilities authority pursuant to the Municipal and County Utilities Authorities Law.

The Authority was created for the purpose of constructing, maintaining and operating sewerage collection and treatment facilities for the relief of waters in, bordering or entering the areas within the territorial boundaries of the County from pollution or threatened pollution and for the improvement of conditions affecting the public health.

The Authority services member municipalities within the County who join prior to the creation of the Authority or subsequently join with approval of the County and member municipalities. The Authority bills and collects its revenue from the users of the system sufficient to pay or provide for the expenses of operation, repair and maintenance of the system, debt service, deficits (if any), and maintain reserves and sinking funds as may be required.

Component Unit

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity,* as amended. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority has no component units and is a component unit of the County of Gloucester.

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

Basis of Presentation

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

The transactions of the Authority are comprised of one activity (sewer services) within the enterprise fund type which is accounted for by providing a set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflow of resources, net position, revenues and expenditures.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Sewer service charges are recognized as revenue when services are provided. Connection fees are paid to the Authority at the time a property applies for connection to the regional sewer system and are recognized as revenue when the funds are received.

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Budgets and Budgetary Accounting

The Authority must adopt an annual budget in accordance with N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Authority's fiscal year. The governing body may amend the budget at any point during the fiscal year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, deferred loss on defeasance and the annual required contribution for the Authority's pension and other postemployment benefits (OPEB) plan are not included in the budget appropriations.

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

Budgets and Budgetary Accounting (Cont'd) – The legal level of budgetary control is established at the same level of detail shown on the Statement of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended. The Authority did not adopt an amending budget resolution during the fiscal year.

The Authority records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At fiscal year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey governmental units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of the school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

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

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

Inventories

Inventory consists principally of chemicals for the treatment of wastewater, sewerage and sludge, in addition to replacement parts for the system, which are valued at cost. The Authority has determined that the inventories are immaterial and are not recorded in the financial statements.

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

Prepaid Expenses

Prepaid expenses represent payments made to vendors for services that will benefit periods beyond the applicable fiscal year end. The Authority has determined that the prepaid expenses are immaterial and are not recorded in the financial statements.

Lease Receivable

Lease receivables recorded on the statements of net position represents a contract that conveys control of the right to use the Authority's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

Capital Assets

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

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the capital asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Costs incurred during construction of an asset are recorded as construction in progress. In the fiscal year that the project is completed, these costs are transferred to Capital Assets - Completed. Interest costs incurred during construction are not capitalized into the cost of the asset.

Lease assets are measured on the statements of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Subscription assets are measured on the statements of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs.

Expenditures are capitalized when they meet the following requirements:

1) Cost of $5,000.00 or more
2) Useful life of more than one year
3) Asset is not affected by consumption

Amortization and Depreciation

Amortization on lease assets and subscription assets and depreciation on other capital assets is computed using the straight-line method (half year convention) over the shorter of the lease term or the following useful lives:

	Years
Site Improvements	10-50
Buildings	15-50
Machinery & Equipment	5-20
Infrastructure	5-50
Subscription Assets	5-10

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

Deferred Outflows and Deferred Inflows of Resources

The statements of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Authority is required to report the following as deferred outflows of resources and deferred inflows of resources: leases, loss on refunding of debt, defined benefit pension plans and postemployment benefit plans.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue is recorded as a liability until the revenue is measurable and the Authority is eligible to realize the assets as revenue.

Pensions

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

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

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

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

Net Position

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments"*, the Authority has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation or amortization of intangible capital assets, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at fiscal year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets." This component includes net position that may be allocated for specific purposes by the Board.

Income Taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

Operating and Non-Operating Revenues and Expenses

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

Operating expenses include expenses associated with the operation, maintenance and repair of the sewer collection and treatment facilities and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt, major repairs and other expenses, and payment of the Authority's budgeted surplus to the County.

Accounting Estimates

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

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

Impact of Recently Issued Accounting Policies

Recently Issued and Adopted Accounting Pronouncements

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 96, *Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 99, *Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 were effective immediately. The requirements related to leases, PPPs, and SBITAs became effective this year. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will become effective for the Authority in the fiscal year ending October 31, 2024. The adoption of this Statement had no impact on the Authority's financial statements.

Recently Issued Accounting Pronouncements

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

Statement No. 100, *Accounting Changes and Error Corrections.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement will become effective for the Authority in the fiscal year ending October 31, 2024. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Authority in the fiscal year ending October 31, 2025. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

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

Recently Issued Accounting Pronouncements (Cont'd)

Statement No. 102, *Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The Statement will become effective for the Authority in the fiscal year ending October 31, 2025. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

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. That objective is achieved by improving the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The Statement will become effective for the Authority in the fiscal year ending October 31, 2026. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions
Management of the Authority is unaware of any material violations of finance related legal and contractual provisions.

General Bond Resolution
The Authority is subject to the provisions and restrictions of the General Bond Resolution adopted August 8, 1978, as amended and supplemented (collectively the "Bond Resolution"). A summary of the activities of each account created by the Bond Resolution is covered below.

Revenue Account - All money collected by the Authority for service charges or from any other source for operating, maintaining or repairing the system is deposited in this account. The Trustee, on the first day of each month, shall make payments into the other accounts to satisfy bond resolution or operating requirements.

Operating Account – Per Section 507 of the Bond Resolution, the balance on deposit must be equal to at 25% of the annual appropriation for operating expenses in effect for three months subsequent to year-end. At October 31, 2023, the balance in the operating account meets the requirements of the Bond Resolution.

Bond Service Account - The balance on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds, principal amount maturing on bonds and sinking fund installments when such payments are required. At October 31, 2023, the balance in the bond service account meets the Bond Service Requirement in the Bond Resolution.

Bond Reserve Account - The amount of funds on deposit must be maintained at a level equal to the Average Annual Bond Service to ensure funds are available for payment of debt service. At October 31, 2023, the balance in the bond reserve account meets the Bond Reserve Requirement in the Bond Resolution.

Renewal and Replacement Account - These funds are maintained for reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements or maintenance items of a type not recurring annually. At October 31, 2023, the balance in the renewal and replacement account meets the System Reserve Requirement of $2,000,000.00 in the Bond Resolution.

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

General Bond Resolution (Cont'd)

General Account - All excess funds of the Authority are recorded in the General Account. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the Authority may use the excess funds for any lawful purpose.

Construction Account - The Construction Fund is held by the Trustee and is used to pay the cost of the projects and is pledged, pending application to such costs, for the security of the payment of principal and interest on the Authority's Revenue Bonds.

Required Rates and Charges

Section 612 of the Bond Resolution stipulates that the Authority shall make, impose, charge, and collect annual charges in accordance with the service contract and the customer agreements to provide funds for the payment of the operating fund requirement, payment of all required interest and principal installments, to maintain the bond reserve requirement, to maintain the renewal and replacement requirement, and provide for deficits resulting from Authority operations.

As is reflected in the following calculation, the Authority met the sufficiency of revenue required under Section 612 of the Bond Resolution.

	2023	2022
Revenues (accrual basis):		
Sewer Sevice Charges	$ 21,548,260.82	$ 20,845,224.24
Connection Fees	1,718,440.70	1,795,947.00
Miscellaneous Income	702,861.83	408,666.00
	23,969,563.35	23,049,837.24
Less:		
Operating Expenses (Schedule 1)	17,924,041.25	16,530,497.70
Bond Service Requirement	3,846,678.66	3,858,983.89
	21,770,719.91	20,389,481.59
Excess of Revenues	$ 2,198,843.44	$ 2,660,355.65

Note 3: DETAIL NOTES - ASSETS

Cash and Cash Equivalents

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

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

Cash and Cash Equivalents (Cont'd)

Custodial Credit Risk Related to Deposits (Cont'd) - As of October 31, 2023 and 2022, the Authority's bank balances were exposed to custodial credit risk as follows:

	October 31, 2023	October 31, 2022
Insured by F.D.I.C. and GUDPA	$ 2,249,994.98	$ 2,244,042.53
Uninsured and Uncollateralized	43,543,790.30	36,203,893.24
	$ 45,793,785.28	$ 38,447,935.77

Investments

New Jersey authorities are limited as to the types of investments and types of financial institutions they may utilize for investing. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey authorities. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or other obligations of the local unit or units within which the Authority is located, bonds or other obligations approved by the Division of Investment in the Department of Treasury for investment by authorities, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. The Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority has no investment policy to limit its exposure to custodial credit risk. The Authority did not have any investments as of October 31, 2023. All of the Authority's $12,202,956.06 as of October 31, 2022 investments in Treasury obligations, money market funds and state and municipal bonds were held in the name of the Authority.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority's investment policies place no limit on the amount the Authority may invest in any one issuer. For the fiscal year ended October 31, 2023 the Authority had no investments. As of October 31, 2022, 82.41% of the Authority's investments were held in US Treasury notes and 17.59% and were held in certificate of deposits.

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

Investments (Cont'd)

As of October 31, 2023, the Authority had no investments.

As of October 31, 2022, the Authority had the following investments:

Investment	Maturity	Fair Value Heirarchy Level*	Credit Rating	Fair Value
US Treasury Notes	11/30/22	Level 1	AAA	$ 1,272,151.59
Federal Home Loan Bank (FHLB)	05/26/23	Level 1	AAA	497,174.16
Webbank CD	12/28/22	Level 1	NA	199,005.04
Marlin Bus Bank CD	12/30/22	Level 1	NA	243,646.49
US Treasury Notes	12/31/22	Level 1	AAA	849,990.72
US Treasury Notes	12/31/22	Level 1	AAA	765,488.72
US Treasury Notes	12/31/22	Level 1	AAA	497,070.59
Bank Hapoalim BM CD	02/16/23	Level 1	NA	242,419.27
Third Fed S&L CD	02/23/23	Level 1	NA	242,221.12
Parkway Bank & TR CD	02/27/23	Level 1	NA	242,116.21
US Treasury Notes	02/28/23	Level 1	NA	1,776,445.35
US Treasury Notes	02/28/23	Level 1	NA	735,250.99
US Treasury Notes	02/28/23	Level 1	NA	1,677,753.95
US Treasury Notes	03/31/23	Level 1	AAA	972,843.19
US Treasury Notes	04/30/23	Level 1	AAA	489,391.72
Toyota Financial Savings CD	05/01/23	Level 1	NA	240,246.12
First General Bank CD	05/08/23	Level 1	NA	239,906.08
US Treasury Notes	06/30/23	Level 1	AAA	1,019,834.75
				$ 12,202,956.06

* Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

* Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

* Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As stated in note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority has no investment policy that would further limit its exposure to credit risk.

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

Service Fees

The following is a three-year comparison of service charge billings and collections for all types of accounts maintained by the Authority:

Fiscal Year	Beginning Balance	Billings	Total Collections	Percentage of Collections
2023	$ 2,889,324.74	$ 21,548,260.82	$ 21,726,944.14	88.91%
2022	2,809,073.29	20,845,224.24	20,764,972.79	87.79%
2021	3,112,295.51	23,170,824.86	23,473,484.26	89.31%

Leases Receivable

The Authority is reporting leases receivable of $127,314.03 and $0.00 at October 31, 2023 and 2022, respectively.

The Authority reported lease revenue of $8,793.84 and interest revenue of $7,407.28 related to lease payments received during the fiscal year ended October 31, 2023.

The leases as of October 31, 2023 are summarized as follows:

Lease Description	Lease Receivable	Lease Revenue	Lease Interest Revenue
Property	$ 127,314.03	$ 8,793.84	$ 7,407.28

Property Lease - On November 1, 2022, the Authority entered into a fifteen-year lease agreement with SARAX for the lease of property. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 6.25%. Based on this agreement, the Authority is receiving payments through October 31, 2037.

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

Capital Assets

During the fiscal year ended October 31, 2023, the following changes in Capital Assets occurred:

	Balance Nov. 1, 2022	Additions	Deletions	Adjustments	Balance Oct. 30, 2023
Capital Assets not being Depreciated:					
Land	$ 6,074,500.00				$ 6,074,500.00
Construction in Progress	8,635,860.45	$10,556,665.96		$ (1,839,340.00)	17,353,186.41
Total Capital Assets not being Depreciated:	14,710,360.45	10,556,665.96	-	(1,839,340.00)	23,427,686.41
Capital Assets being Depreciated:					
Site Improvements	4,381,906.00				4,381,906.00
Buildings	24,518,089.44	76,537.91		727,216.00	25,321,843.35
Machinery & Equipment	37,923,105.58	341,269.97			38,264,375.55
Infrastructure	100,465,378.00	172,849.61		1,112,124.00	101,750,351.61
Total Capital Assets being Depreciated	167,288,479.02	590,657.49	-	1,839,340.00	169,718,476.51
Less: Accumulated Depreciation					
Site Improvements	3,582,186.62	65,866.67			3,648,053.29
Buildings	12,180,215.15	664,071.60			12,844,286.75
Machinery & Equipment	12,723,502.86	1,727,382.87			14,450,885.73
Infrastructure	84,063,077.29	1,126,011.02			85,189,088.31
Total Accumulated Depreciation	112,548,981.92	3,583,332.16	-	-	116,132,314.08
Capital Assets being Depreciated, Net	54,739,497.10	(2,992,674.67)	-	1,839,340.00	53,586,162.43
Total Capital Assets, Net	$ 69,449,857.55	$ 7,563,991.29	$ -	$ -	$ 77,013,848.84

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

Capital Assets (Cont'd)

During the fiscal year ended October 31, 2022, the following changes in Capital Assets occurred:

	Balance Nov. 1, 2021	Additions	Deletions	Adjustments	Balance Oct. 30, 2022
Capital Assets not being Depreciated:					
Land	$ 6,074,500.00				$ 6,074,500.00
Construction in Progress	3,726,192.04	$ 5,661,678.41		$ (752,010.00)	8,635,860.45
Total Capital Assets not being Depreciated:	9,800,692.04	5,661,678.41	-	(752,010.00)	14,710,360.45
Capital Assets being Depreciated:					
Site Improvements	4,381,906.00				4,381,906.00
Buildings	23,766,079.44			752,010.00	24,518,089.44
Machinery & Equipment	37,535,821.16	324,152.00	$ 54,954.00	118,086.42	37,923,105.58
Infrastructure	100,465,378.00				100,465,378.00
Total Capital Assets being Depreciated	166,149,184.60	324,152.00	54,954.00	870,096.42	167,288,479.02
Less Accumulated Depreciation:					
Site Improvements	3,516,259.64	65,926.98			3,582,186.62
Buildings	11,540,172.70	640,042.45			12,180,215.15
Machinery & Equipment	10,936,923.58	1,723,446.86	54,954.00	118,086.42	12,723,502.86
Infrastructure	82,870,063.68	1,193,013.61			84,063,077.29
Total Accumulated Depreciation	108,863,419.60	3,622,429.90	54,954.00	118,086.42	112,548,981.92
Capital Assets being Depreciated, Net	57,285,765.00	(3,298,277.90)	-	752,010.00	54,739,497.10
Total Capital Assets, Net	$ 67,086,457.04	$ 2,363,400.51	$ -	$ -	$ 69,449,857.55

Note 4: DETAIL NOTES – DEFERRED OUTFLOWS OF RESOURCES

Deferred Loss of Defeasance of Debt

On April 6, 2017, the Authority refunded $5,705,000.00 of the Sewer Revenue Refunding Bonds, Series 2003 and $7,725,000.00 of the Sewer Revenue Refunding Bonds, Series 2005B. The Authority issued $12,475,000.00 in Revenue Bonds, received $1,201,406.25 in premiums, and contributed (net) $145,024.50 in Authority funds to complete the transaction; of which $13,655,832.89 was deposited in an irrevocable trust for the purpose of paying the debt service payment of the refunded debt on May 9, 2017. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $210,431.44. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations as a component of interest expense over the life of the refunding bonds using the effective straight-line method. The advance refunding was undertaken to reduce total debt payments by $1,503,974.45 and to obtain a present value economic gain of $1,230,122.02.

Note 5: DETAIL NOTES – LIABILITIES

Long-term Liabilities

During the fiscal year ended October 31, 2023, the following changes occurred in long-term obligations:

	Balance Nov. 1, 2022	Additions	Reductions	Balance Oct. 31, 2023	Due Within One Year
Bonds and Loans Payable:					
Bonds Payable	$ 4,135,000.00		$ (1,080,000.00)	$ 3,055,000.00	$ 1,135,000.00
NJIB Loans	44,227,440.74		(2,071,988.86)	42,155,451.88	2,091,834.52
NJIB Project Note Payable	11,500,000.00	$ 2,348,103.00		13,848,103.00	13,848,103.00
Total Bonds and Loans Payable	59,862,440.74	2,348,103.00	(3,151,988.86)	59,058,554.88	17,074,937.52
Other Liabilities:					
Net Pension Liability	8,647,771.00	2,601,922.00	(3,260,269.00)	7,989,424.00	
Net OPEB Obligation	13,982,966.00	14,612,715.00	(13,625,757.00)	14,969,924.00	
Other Liabilities - Related to Pension	240,872.00	245,738.00	(240,872.00)	245,738.00	
Compensated Absences	128,297.10	20,895.76	(15,710.13)	133,482.73	
Total Other Liabilities	22,999,906.10	17,481,270.76	(17,142,608.13)	23,338,568.73	-
Total Long Term Liabilities	$ 82,862,346.84	$ 19,829,373.76	$ (20,294,596.99)	$ 82,397,123.61	$ 17,074,937.52

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

Long-term Liabilities (Cont'd)

During the fiscal year ended October 31, 2022, the following changes occurred in long-term obligations:

	Balance Nov. 1, 2021	Additions	Reductions	Balance Oct. 31, 2022	Due Within One Year
Bonds and Loans Payable:					
Bonds Payable	$ 5,170,000.00		$ (1,035,000.00)	$ 4,135,000.00	$ 1,080,000.00
NJIB Loans	46,279,598.21		(2,052,157.47)	44,227,440.74	2,071,988.86
NJIB Project Note Payable	11,500,000.00			11,500,000.00	11,500,000.00
Total Bonds and Loans Payable	62,949,598.21	-	(3,087,157.47)	59,862,440.74	14,651,988.86
Other Liabilities:					
Net Pension Liability	6,227,616.00	$ 5,970,423.00	(3,550,268.00)	8,647,771.00	
Net OPEB Obligation	15,518,691.00	11,181,694.00	(12,717,419.00)	13,982,966.00	
Other Liabilities - Related to Pension	205,216.00	240,872.00	(205,216.00)	240,872.00	
Compensated Absences	128,814.38	16,179.21	(16,696.49)	128,297.10	-
Total Other Liabilities	22,080,337.38	17,409,168.21	(16,489,599.49)	22,999,906.10	-
Total Long Term Liabilities	$ 85,029,935.59	$ 17,409,168.21	$ (19,576,756.96)	$ 82,862,346.84	$ 14,651,988.86

Revenue Bonds Payable

The Revenue Bonds Series 2017 are direct obligations of the Authority. The Bonds are secured by a pledge on the revenues derived by the Authority from the operation of its sewerage treatment facilities. The Bonds are further secured by the limited-service agreement between the Authority and the County of Gloucester (See Note 7).

The 2017 Revenue Refunding Bonds were issued to provide funds to advance refund the Series 2003 Revenue Refunding Bonds and Series 2005 Revenue Refunding Bonds. The Bonds were issued originally for $12,475,000.00 and carried interest rates ranging from 3.0% to 5.0%. The final maturity 2017 Bonds is January 1, 2030.

The following schedule reflects the Debt Requirements until fiscal year 2030.

Fiscal Year Ending October 31,	Principal	Interest	Total
2024	$ 1,135,000.00	$ 99,525.00	$ 1,234,525.00
2025	575,000.00	59,650.00	634,650.00
2026	250,000.00	43,150.00	293,150.00
2027	260,000.00	32,950.00	292,950.00
2028	270,000.00	22,350.00	292,350.00
2029-2030	565,000.00	17,025.00	582,025.00
	3,055,000.00	$ 274,650.00	$ 3,329,650.00
Less: Current Maturities	1,135,000.00		
Long-term Portion	$ 1,920,000.00		

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

Loans Payable

On November 6, 2008, the Authority closed on loans from the New Jersey Infrastructure Bank totaling $3,555,582.00 to fund various structural and electrical improvements, upgrades, and rehabilitation of the existing sanitary sewer system. The Trust loan in the amount of $1,670,000.00 carries interest rates ranging from 3.40% to 5.00% with a final maturity in fiscal year 2028. The Fund loan in the amount of $1,585,582.00 is interest free with a final maturity in fiscal year 2026. Since allowable costs were less than anticipated, the Fund loan obligation was reduced by $227,752.00.

On March 10, 2010, the Authority closed on loans from the New Jersey Infrastructure Bank totaling $1,276,850.00 to fund various structural and electrical improvements, upgrades, and rehabilitation of the existing sanitary sewer system. The Trust loan in the amount of $320,000.00 carries interest rates ranging from 3.40% to 5.00% with a final maturity in fiscal year 2029. The Fund loan in the amount of $956,850.00 is interest free with a final maturity in fiscal year 2029.

On March 10, 2010, the Authority closed on loans from the New Jersey Infrastructure Bank, which were partially funded by the American Recovery Reinvestment Act, totaling $465,157.44 to fund various structural and electrical improvements, upgrades, and rehabilitation of the existing sanitary sewer system. The Trust loan in the amount of $121,157.44 carries interest rates ranging from .30% to 3.99% with a final maturity in fiscal year 2029. The Fund loan in the amount of $344,000.00 is interest free with a final maturity in fiscal year 2029. On the date of closing, the State forgave $230,000.00 of the Fund loan leaving $114,000.00 to be repaid over 19 years.

On December 2, 2010, the Authority closed on loans from the New Jersey Infrastructure Bank totaling $2,192,500.00 to fund the 2010 capital projects. The Trust loan in the amount of $1,075,000.00 carries interest rates ranging from 3.40% to 5.00% with a final maturity in fiscal year 2030. The Fund loan in the amount of $1,117,500.00 is interest free with a final maturity in fiscal year 2030.

On May 22, 2013, the Authority closed on loans from the New Jersey Infrastructure Bank totaling $3,837,813.00 to fund the 2013 capital projects. The Trust loan in the amount of $930,000.00 carries interest rates ranging from 3.40% to 5.00% with a final maturity in fiscal year 2032. The Fund loan in the amount of $2,907,813.00 is interest free with a final maturity in fiscal year 2031. Since allowable costs were less than anticipated, the Fund loan obligation was reduced by $158,728.00.

On May 28, 2015, the Authority closed on loans from the New Jersey Infrastructure Bank, which were partially funded by the American Recovery Reinvestment Act, totaling $4,296,981 to fund the Porches Branch Interceptor Project. The Trust loan in the amount of $1,015,000.00 carries interest rates ranging from 4.00% to 5.00% with a final maturity in fiscal year 2034. The Fund loan in the amount of $3,281,981.00 is interest free with a final maturity in fiscal year 2034. On the date of closing, the State forgave $831,425.00 of the Fund loan leaving $2,450,546.00 to be repaid over 19 years. In addition, allowable costs were less than anticipated, the Fund loan obligation was reduced by $1,342.00.

On May 22, 2018, the Authority closed on loans from the New Jersey Infrastructure Bank totaling $1,725,809.00 to fund the 2018 capital projects. The Trust loan in the amount of $440,000.00 carries interest rates ranging from 3.00% to 5.00% with a final maturity in fiscal year 2047. The Fund loan in the amount of $1,285,890.00 is interest free with a final maturity in fiscal year 2047. Since allowable costs were less than anticipated, the Fund loan obligation was reduced by $29,025.00.

On November 29, 2018, the Authority closed on loans from the New Jersey Infrastructure Bank totaling $41,240,478.00 to fund the 2019 capital projects. The Trust loan in the amount of $10,345,000.00 carries interest rates ranging from 4.00% to 5.00% with a final maturity in fiscal year 2048. The Fund loan in the amount of $30,895,478.00 is interest free with a final maturity in fiscal year 2048. Since allowable costs were less than anticipated, the Fund loan obligation was reduced by $884,279.00.

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

Loans Payable (Cont'd)

The following schedule reflects the Debt Service Requirements for the Authority's Loans until fiscal year 2048.

Fiscal Year Ending October 31,	Principal	Interest	Total
2024	$ 2,091,834.52	$ 513,988.90	$ 2,605,823.42
2025	2,111,704.26	487,696.40	2,599,400.66
2026	2,076,668.06	461,488.22	2,538,156.28
2027	2,085,595.58	433,466.28	2,519,061.86
2028	2,120,888.24	405,473.62	2,526,361.86
2029-2033	9,054,302.97	1,692,268.92	10,746,571.89
2034-2038	7,557,067.25	1,266,187.54	8,823,254.79
2039-2043	7,774,433.05	847,750.00	8,622,183.05
2044-2048	7,282,957.95	343,700.00	7,626,657.95
	42,155,451.88	$ 6,452,019.88	$ 48,607,471.76
Less: Current Maturities	2,091,834.52		
Long-term Portion	$ 40,063,617.36		

Project Note Payable

On May 13, 2020, the Authority adopted Resolution 2020-087 authorizing the issuance and sale of its Subordinate Project Notes, Series 2020, in the principal amount of up to $11,500,000.00 funding the 2020 capital projects. On September 3, 2020, the Authority issued the $11,500,000.00 Project Note, Series 2020 to the New Jersey Infrastructure Bank (NJIB), at an interest rate to be set by the NJIB each State fiscal year. Accrued Interest will be paid when the note is permanently financed. The Project Note has varying maturity dates, depending on project completion dates, with the earliest being September 3, 2022.

On February 8, 2023, the Authority adopted Resolution 2023-059 amending and supplementing Resolution 2020-087, providing authorization to increase the not to exceed amount of the Project Notes authorized to be issued to $14,500,000.00 and providing authorization to amend, restate and replace the 2020 Project Note in its entirety. On March 2, 2023, the Authority issued the $13,848,103.00 Project Note, Series 2023A to the New Jersey Infrastructure Bank (NJIB), at an interest rate to be set by the NJIB each State fiscal year. Accrued Interest will be paid when the note is permanently financed. The Project Note maturity date is June 30, 2024, unless amended by the NJIB as stated in the Project note.

Compensated Absences

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

Authority employees may accumulate unused sick days with no restrictions. Employees are compensated for accumulated sick leave upon retirement at one-half or resignation at one-quarter of their then current hourly rate of pay times the number of days accumulated, up to a maximum of $15,000.00. Vacation days not used during the year may be carried forward for one year. Upon separation from the Authority, the employee will be paid for all accrued vacation time at their then current hourly rate. The accrued liability for accumulated sick leave and vacation time at October 31, 2023 and 2022 is estimated at $133,482.72 and $128,297.09, respectively.

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

Net Pension Liability

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

Net OPEB Liability

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

Pension Plans

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

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

General Information about the Pension Plans

Plan Descriptions

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

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

Pension Plans (Cont'd)

General Information about the Pension Plans (Cont'd)

Plan Descriptions (Cont'd)

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

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

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

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

Pension Plans (Cont'd)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

Contributions

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

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

The Employer's contractually required contribution rate for the fiscal years ended October 31, 2023 and 2022 was 17.23% and 17.45% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the fiscal year ended October 31, 2023 was $737,214.00, and was payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the Employer's contractually required contribution to the pension plan for the fiscal year ended October 31, 2022 was $722,615.00, and was paid by April 1, 2023.

Employee contributions to the Plan for the fiscal year ended October 31, 2023 and 2022 were $324,352.92 and $311,698.17, respectively.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the fiscal years ended October 31, 2023 and 2022 was .58% and .44% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the fiscal year ended October 31, 2023 was $24,916.00, and is payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the fiscal year ended October 31, 2022 was $18,195.00, and was paid by April 1, 2023.

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

Pension Plans (Cont'd)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Employer contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended October 31, 2023 and October 31, 2022, employee contributions totaled $825.00 and $919.67, respectively. The Employer recognized pension expense of $607.50 and $677.22 for the fiscal years ended October 31, 2023 and 2022, which equaled the required contributions. There were no forfeitures during the fiscal years.

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

Public Employees' Retirement System

Pension Liability - As of October 31, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was $7,989,424.00. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2023 measurement date, the Employer's proportion was .0551589199%, which was a decrease of .0021438146% from its proportion measured as of June 30, 2022.

As of October 31, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was $8,647,771.00. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Employer's proportion was .0573027345%, which was an increase of .0047334859% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the fiscal years ended October 31, 2023 and 2022, the Employer recognized its proportionate share of the PERS pension (benefit) expense of ($54,770.00) and ($489,622.00), respectively. These amounts were based on the Plan's June 30, 2023 and 2022 measurement dates, respectively.

For the fiscal years ended October 31, 2023 and 2022, the Employer has recognized as a revenue and an expenditure on-behalf payments made by the State for the State's proportionate share of the PERS pension expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2023 and 2022 measurement date. The amounts recognized as a revenue and an expenditure in the financial statements was $24,916.00 and $18,195.00, respectively.

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

Pension Plans (Cont'd)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Public Employees' Retirement System (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources – At October 31, 2023 and 2022, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	October 31, 2023 Measurement Date June 30, 2023		October 31, 2022 Measurement Date June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 76,389.00	$ 32,658.00	$ 62,416.00	$ 55,042.00
Changes of Assumptions	17,551.00	484,193.00	26,794.00	1,294,914.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	36,792.00	-	357,923.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	711,244.00	499,339.00	1,004,962.00	409,989.00
Contributions Subsequent to the Measurement Date	245,738.00	-	240,872.00	-
	$ 1,087,714.00	$ 1,016,190.00	$ 1,692,967.00	$ 1,759,945.00

Deferred outflows of resources in the amounts of $245,738.00 and $240,872.00 will be included as a reduction of the net pension liability during the fiscal years ending October 31, 2024 and 2023, respectively. These amounts are based on an estimated April 1, 2025 and April 1, 2024 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2023 and 2022 to the Employer's fiscal year end of October 31, 2023 and 2022.

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

Pension Plans (Cont'd)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Public Employees' Retirement System (Cont'd)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04	June 30, 2023	5.00	-
June 30, 2023	5.08	-	Changes in Proportion		
Changes of Assumptions			Year of Pension Plan Deferral:		
Year of Pension Plan Deferral:			June 30, 2018	5.63	5.63
June 30, 2018	-	5.63	June 30, 2019	5.21	5.21
June 30, 2019	-	5.21	June 30, 2020	5.16	5.16
June 30, 2020	-	5.16	June 30, 2021	5.13	5.13
June 30, 2021	5.13	-	June 30, 2022	5.04	5.04
June 30, 2022	-	5.04	June 30, 2023	5.08	5.08

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Fiscal Year Ending October 31,	
2024	$ (413,164.00)
2025	(81,422.00)
2026	447,066.00
2027	(122,069.00)
2028	(4,625.00)
	$ (174,214.00)

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

Pension Plans (Cont'd)

Actuarial Assumptions

Public Employees' Retirement System

The net pension liability was measured as of June 30, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 and 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023 and 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date June 30, 2023	Measurement Date June 30, 2022
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.75% - 6.55% Based on Years of Service	2.75% - 6.55% Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

For the June 30, 2023 measurement date, Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

For the June 30, 2022 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Pension Plans (Cont'd)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System (Cont'd)

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2023 and 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 and 2022 are summarized in the table below:

	Measurement Date June 30, 2023		Measurement Date June 30, 2022	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%	27.00%	8.12%
Non-U.S. Developed Markets Equity	12.75%	9.22%	13.50%	8.38%
International Small Cap Equity	1.25%	9.22%		
Emerging Markets Equity	5.50%	11.13%	5.50%	10.33%
Private Equity	13.00%	12.50%	13.00%	11.80%
Real Estate	8.00%	8.58%	8.00%	11.19%
Real Assets	3.00%	8.40%	3.00%	7.60%
High Yield	4.50%	6.97%	4.00%	4.95%
Private Credit	8.00%	9.20%	8.00%	8.10%
Investment Grade Credit	7.00%	5.19%	7.00%	3.38%
Cash Equivalents	2.00%	3.31%	4.00%	1.75%
U.S. Treasuries	4.00%	3.31%	4.00%	1.75%
Risk Mitigation Strategies	3.00%	6.21%	3.00%	4.91%
	100.00%		100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Pension Plans (Cont'd)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System (Cont'd)

Discount Rate (Cont'd) - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.54% as of the June 30, 2022 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System

The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2023 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	October 31, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 10,400,531.00	$ 7,989,424.00	$ 5,937,254.00

The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2022 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	October 31, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 11,109,853.00	$ 8,647,771.00	$ 6,552,441.00

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

Pension Plans (Cont'd)

Pension Plan Fiduciary Net Position

Public Employees' Retirement System

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

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

General Information about the State Health Benefit Local Government Retired Employees Plan

Plan Description and Benefits Provided - The Authority contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml. As a local participating employer of the Plan, the Authority is referred to as "Employer" throughout this note.

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

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.

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

Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)

General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Employer was billed monthly by the Plan and paid $516,118.36 and $439,168.00, for the fiscal years ended October 31, 2023 and 2022, respectively. These amounts represent 12.06% and 10.61% of the Employer's covered payroll. During the fiscal years ended October 31, 2023 and 2022, retirees were not required to contribute to the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At October 31, 2023, the Employer's proportionate share of the net OPEB liability was $14,969,924.00.

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The Employer's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan' during the measurement period July 1, 2022 through June 30, 2023. For the June 30, 2023 measurement date, the Employer's proportion was .099756%, which was an increase of .013172% from its proportion measured as of the June 30, 2022 measurement date, as adjusted.

At October 31, 2022, the Employer's proportionate share of the net OPEB liability was $13,982,966.00.

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

The Employer's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan' during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the Employer's proportion was .086584%, which was a decrease of .000111% from its proportion measured as of the June 30, 2021 measurement date.

OPEB (Benefit) Expense - At October 31, 2023, the Employer's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date, is ($138,772.00).

At October 31, 2022, the Employer's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is $113,016.00.

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

Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources - At October 31, 2023 and 2022, the Employer had deferred outflows of resources and deferred inflows of resources from the following sources:

	October 31, 2023 Measurement Date June 30, 2023		October 31, 2022 Measurement Date June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 690,336.00	$ 4,065,342.00	$ 722,095.00	$ 2,591,847.00
Changes of Assumptions	1,939,167.00	4,231,518.00	1,866,085.00	4,772,117.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	2,470.00	3,681.00	-
Changes in Proportion	3,377,069.00	592,694.00	1,173,351.00	898,243.00
Contributions Subsequent to the Measurement Date	169,411.65	-	155,767.82	-
	$ 6,175,983.65	$ 8,892,024.00	$ 3,920,979.82	$ 8,262,207.00

Deferred outflows of resources in the amount of $169,411.65 was the result of the Employer contributions subsequent to the Plan's measurement date of June 30, 2023. This amount will be included as a reduction of the Employer's net OPEB liability during the fiscal year ending October 31, 2024. Deferred outflows of resources in the amount of $155,767.82 was the result of the Employer contributions subsequent to the Plan's measurement date of June 30, 2022. This amount was included as a reduction of the Employer's net OPEB liability during the fiscal year ending October 31, 2023.

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

Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

The Employer will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience Year of OPEB Plan Deferral:			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
June 30, 2023	-	7.89	June 30, 2023	5.00	-
Changes of Assumptions Year of OPEB Plan Deferral:			Changes in Proportion Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82
June 30, 2023	7.89	-	June 30, 2023	7.89	7.89

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

Fiscal Year Ending	
October 31, 2024	$ (1,356,666.00)
October 31, 2025	(883,237.00)
October 31, 2026	(355,711.00)
October 31, 2027	129,355.00
October 31, 2028	(345,921.00)
Thereafter	(73,272.00)
	$ (2,885,452.00)

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

Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)

Actuarial Assumptions

The actuarial valuation at June 30, 2023 and 2022 used the following actuarial assumptions, applied to all periods in the measurement:

	Measurement Date June 30, 2023	Measurement Date June 30, 2022
Salary Increases *		
PERS:		
Rate for All Future Years	2.75% to 6.55%	2.75% to 6.55%
Mortality:		
PERS - Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021		

* salary increases are based on years of service within the respective Plan

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

100% of active members in both the June 30, 2023 and June 30, 2022 measurement dates are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools.* The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of $1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2023 and 2022 were 3.65% and 3.54%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)

Actuarial Assumptions (Cont'd)

Health Care Trend Assumptions – The health care trend assumptions used is as follows:

	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
Fiscal Year Ending	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2024	6.50%	-5.63%	-6.04%	14.00%	9.50%	14.28%
2025	6.25%	8.22%	8.33%	10.00%	8.75%	11.21%
2026	6.00%	16.85%	17.28%	7.50%	7.50%	7.50%
2027	5.75%	14.31%	14.65%	6.75%	6.75%	6.75%
2028	5.50%	12.43%	12.71%	6.00%	6.00%	6.00%
2029	5.25%	11.02%	11.24%	5.25%	5.25%	5.25%
2030	5.00%	9.91%	10.09%	4.50%	4.50%	4.50%
2031	4.75%	8.98%	9.14%	4.50%	4.50%	4.50%
2032	4.50%	6.46%	6.53%	4.50%	4.50%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

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

The net OPEB liability as of June 30, 2023, the Plan's measurement date, for the Employer calculated using a discount rate of 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	October 31, 2023		
	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Authority's Proportionate Share of the Net OPEB Liability	$ 17,339,944.00	$ 14,969,924.00	$ 13,063,609.00

The net OPEB liability as of June 30, 2022, the Plan's measurement date, for the Employer calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	October 31, 2022		
	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Authority's Proportionate Share of the Net OPEB Liability	$ 16,209,073.00	$ 13,982,966.00	$ 12,191,855.00

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

Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)

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

The Employer's proportionate share of the net OPEB liability as of June 30, 2023, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	October 31, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's Proportionate Share of the Net OPEB Liability	$ 12,722,674.00	$ 14,969,924.00	$ 17,847,091.00

The Employer's proportionate share of the net OPEB liability as of June 30, 2022, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	October 31, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's Proportionate Share of the Net OPEB Liability	$ 11,862,171.00	$ 13,982,966.00	$ 16,699,107.00

OPEB Plan Fiduciary Net Position

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

Note 6: NET POSITION

The following is a summary of the Authority's unrestricted net position for the fiscal years ended October 31, 2023 and 2022.

	October 31, 2023	Restated October 31, 2022
Unresticted Net Position	$ 7,194,499.75	$ 11,221,583.86
Reconcilation of Unrestricted Net Position (Deficit):		
Effects of GASB 68 and 71 Pension Related Items	$ (7,917,900.00)	$ (8,714,749.00)
Effects of GASB 75 OPEB Related Items	(17,685,964.35)	(18,324,193.18)
Designated for Construction Projects	4,675,383.33	6,456,156.44
Designated for Construction Expansion Fund	7,180,409.96	8,447,866.31
Undesignated before GASB 68 and 71 Pension Items and GASB 75 OPEB Related Items	20,942,570.81	23,356,503.29
	$ 7,194,499.75	$ 11,221,583.86

Note 7: INTERGOVERNMENTAL AGREEMENTS

County of Gloucester Service Agreement

A Deficiency Advance Contract ("Contract") was entered into on July 1, 1971, as amended on May 19, 1972 and February 8, 1995 and ratified and confirmed by the Board on November 5, 2008, between the Authority and the County. Under the Contract, the County agrees to pay any shortfall the Authority may encounter in making payments for either Operating Expenses and/or Debt Service ("Annual Charges").

The purpose of this agreement is to grant temporary relief to the Authority should it experience difficulty in meeting its obligations. The agreement calls for the County to be reimbursed for any Annual Charges paid by the County when the Authority's operations permit. Ultimately, all Operating Expenses and Debt Service of the Authority are borne by revenues of the system.

Gloucester County Improvement Authority Service Agreement

On March 24, 2022, the Authority adopted Resolution No. 2022-054 which authorized a shared services agreement with the Gloucester County Improvement Authority ("GCIA") in connection with the undertaking of the Regional Wastewater Project.

The shared services agreement, dated April 19, 2022, entitled Regional Wastewater Project – Mantua Main states the GCUA shall provide and make available preliminary funding for all costs and expenses necessary or required to complete the Mantua Main Project not otherwise paid for by the Woolwich Share (referred to herein as the "Remaining Share"), with such funding to be provided by the GCUA from (a) the utilization of available funds of the GCUA from its general or reserve funds not otherwise restricted to be utilized by any resolutions, indentures or other trust documents applicable to the GCUA or its funds, or (b) borrowed funds of the GCUA, it being understood and agreed by the Parties that the GCIA shall reimburse the GCUA for such verified costs and expenses in accordance with terms and conditions as further described in the agreement.

On July 13, 2022, the Authority adopted Resolution No. 2022-086 approving fiscal year 2022 budget amendments. The resolution amended the fiscal year 2022 capital budget, appropriating $10,000,000.00 from the Construction Expansion Fund to fund the Regional Wastewater Project – Mantua Main.

Note 7: INTERGOVERNMENTAL AGREEMENTS (CONT'D)

Gloucester County Improvement Authority Service Agreement (Cont'd)

On September 13, 2023, the Authority adopted Resolution 2023-115 amending the shared services agreement authorized by Resolution No. 2022-054. The Resolution authorizes the Authority to provide up to an additional $4,000,000.00 in funding to the GCIA for the construction of a pump station and force main ("GCIA Project"). Reimbursement terms from the GCIA to the GCUA for the previous and additional funding remain unchanged.

On September 13, 2023, the Authority adopted Resolution No. 2023-117 approving fiscal year 2023 budget amendments. The resolution amended the fiscal year 2023 capital budget, appropriating $4,000,000.00 from the Construction Expansion Fund to fund the Regional Wastewater Project – GCIA Project.

As of October 31, 2023, the Authority has not received any reimbursements from the Gloucester County Improvement Authority in connection with the Regional Wastewater Project – Mantua Main.

Note 8: COMMITMENTS

The Authority had several outstanding or planned construction projects as of October 31, 2023. These projects are evidenced by contractual commitments with contractors and include:

Project	Awarded	Commitment Remaining
Mantua Main - Phase 4	$ 8,718,083.85	$ 506,944.08
Hydro Sludge Screens	1,174,400.00	1,018,000.00
Mantua and Deptford Pump Station Roofs	1,986,100.00	1,868,523.10

Note 9: DEFERRED COMPENSATION

The Authority offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full-time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Authority or its creditors. Since the Authority does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Authority's financial statements.

Note 10: INSURANCE COMMISION

The Authority is a member of the Gloucester County Insurance Commission. The Commission provides its members with the following coverage:

Workers' Compensation
General Liability and Auto Liability
Public Officials Legal Liability
Property
Equipment Breakdown
Terrorism

Note 10: INSURANCE COMMISION (CONT'D)

Contributions to the Commission, including a reserve for contingencies, are based on actuarial assumptions determined by the Commission's actuary. The Commission may order additional assessments to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

The Commission purchases excess insurance for coverage in excess of the Commission's self-insured retention limits.

The Commission publishes its own financial report which can be obtained from:

Gloucester County Insurance Commission
9 Campus Drive, Suite 216
Parsippany, NJ 07054

Note 11: CONTINGENCIES

Litigation - The Authority is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Authority, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 12: RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

During the fiscal year ended October 31, 2023, the Authority became aware of a Loan Receivable that was not recorded in the prior fiscal year. As a result, a restatement of the Authority's Current Unrestricted Assets, Non-Current Assets, Non-operating Revenues (Expenses), Change in Net Position, and Unrestricted Net Position was required. The cumulative effect on the financial statements as reported for October 31, 2022 is as follows:

Statement of Net Position

	Previously Reported	Cumulative Effect - Increase / (Decrease)	Restated Balance
ASSETS			
Current Assets:			
Unrestricted Assets:			
Loan Receivable - Current Portion	$ -	$ 90,489.00	$ 90,489.00
Total Unrestricted Assets	19,420,735.60	90,489.00	19,511,224.60
Total Current Assets	60,966,089.22	90,489.00	61,056,578.22
Non-Current Assets:			
Loan Receivable	-	1,476,491.00	1,476,491.00
Total Non-Current Assets	69,449,857.55	1,476,491.00	70,926,348.55
Total Assets	130,415,946.77	1,566,980.00	131,982,926.77
NET POSITION			
Unrestricted	9,654,583.86	1,566,980.00	11,221,563.86
Total Net Position	$ 39,568,463.01	$ 1,566,980.00	$ 41,135,443.01

Note 12: RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS (CONT'D)

Statement of Revenues, Expenses and Changes in Net Position

	Previously Reported	Cumulative Effect - Increase / (Decrease)	Restated Balance
Non-operating Revenue (Expenses):			
Reimbursement of Leasehold Expenditures	$ -	$ 1,566,980.00	$ 1,566,980.00
Total Non-operating Revenue (Expenses)	(2,490,936.29)	1,566,980.00	(923,956.29)
Change in Net Position	2,101,126.11	1,566,980.00	3,668,106.11
Net Position - Beginning	37,467,336.90	-	37,467,336.90
Net Position - Ending	$ 39,568,463.01	$ 1,566,980.00	$ 41,135,443.01

Note 13: SUBSEQUENT EVENTS

Unrestricted Net Position - Subsequent to October 31, 2023, the Authority approved a change order for the Mantua Main Project in the amount of $1,159,740.64.

REQUIRED SUPPLEMENTARY INFORMATION

GLOUCESTER COUNTY UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's Proportionate Share
of the Net OPEB Liability - State Plan
Last Seven Plan Years

	Measurement Date Ended June 30,			
	2023	**2022**	**2021 (a)**	**2020**
Authority's Proportion of the Net OPEB Liability	0.099756%	0.086584%	0.086695%	0.086373%
Authority's Proportionate Share of the Net OPEB Liability	$ 14,969,924.00	$ 13,982,966.00	$ 15,518,691.00	$ 15,501,028.00
Authority's Covered Payroll (Plan Measurement Period)	$ 4,231,179.00	$ 4,126,381.00	$ 3,977,449.00	$ 3,792,339.00
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	353.80%	338.87%	390.17%	408.75%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.79%	-0.36%	0.28%	0.91%

	Measurement Date Ended June 30,		
	2019	**2018**	**2017**
Authority's Proportion of the Net OPEB Liability	0.081373%	0.085938%	0.081017%
Authority's Proportionate Share of the Net OPEB Liability	$ 11,022,844.00	$ 13,463,578.00	$ 16,540,260.00
Authority's Covered Payroll (Plan Measurement Period)	$ 3,794,905.00	$ 3,830,005.00	$ 3,730,366.00
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	290.46%	351.53%	443.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

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

GLOUCESTER COUNTY UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's OPEB Contributions - State Plan
Last Seven Fiscal Years

	Fiscal Year Ended October 31,			
	2023	**2022**	**2021**	**2020**
Authority's Required Contributions	$ 516,118.36	$ 439,168.00	$ 363,775.96	$ 350,755.58
Authority's Contributions in Relation to the Required Contribution	(516,118.36)	(439,168.00)	(363,775.96)	(350,755.58)
Authority's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 4,279,673.00	$ 4,140,673.00	$ 4,051,964.00	$ 3,820,484.00
Authority's Contributions as a Percentage of Covered Payroll	12.06%	10.61%	8.98%	9.18%

	Fiscal Year Ended October 31,		
	2019	**2018**	**2017**
Authority's Required Contributions	$ 347,019.35	$ 450,234.48	$ 478,210.00
Authority's Contributions in Relation to the Required Contribution	(347,019.35)	(450,234.48)	(478,210.00)
Authority's Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 3,761,714.00	$ 3,851,549.00	$ 3,741,360.00
Authority's Contributions as a Percentage of Covered Payroll	9.23%	11.69%	12.78%

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

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

	Measurement Date Ending June 30,				
	2023	**2022**	**2021**	**2020**	**2019**
Authority's Proportion of the Net Pension Liability	0.0551589199%	0.0573027345%	0.0525692486%	0.0508049931%	0.0550009263%
Authority's Proportionate Share of the Net Pension Liability	$ 7,989,424.00	$ 8,647,771.00	$ 6,227,616.00	$ 8,284,966.00	$ 9,910,333.00
Authority's Covered Payroll (Plan Measurement Period)	$ 4,124,116.00	$ 4,143,804.00	$ 3,801,324.00	$ 3,621,076.00	$ 3,819,900.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	193.72%	208.69%	163.83%	228.80%	259.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%

	Measurement Date Ending June 30,				
	2018	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.0540792683%	0.0546556257%	0.0520842457%	0.0489051351%	0.0478302885%
Authority's Proportionate Share of the Net Pension Liability	$ 10,647,938.00	$ 12,722,956.00	$ 15,425,860.00	$ 10,978,223.00	$ 8,955,138.00
Authority's Covered Payroll (Plan Measurement Period)	$ 3,770,676.00	$ 3,786,528.00	$ 3,583,040.00	$ 3,385,412.00	$ 3,349,488.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	282.39%	336.01%	430.52%	324.28%	267.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

GLOUCESTER COUNTY UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's Pension Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years

	Fiscal Year Ended October 31,				
	2023	**2022**	**2021**	**2020**	**2019**
Authority's Contractually Required Contribution	$ 737,214.00	$ 722,615.00	$ 615,647.00	$ 555,781.00	$ 534,997.00
Authority's Contribution in Relation to the Contractually Required Contribution	(737,214.00)	(722,615.00)	(615,647.00)	(555,781.00)	(534,997.00)
Authority's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 4,279,673.00	$ 4,140,673.00	$ 4,051,964.00	$ 3,820,484.00	$ 3,761,714.00
Authority's Contributions as a Percentage of Covered Payroll	17.23%	17.45%	15.19%	14.55%	14.22%

	Fiscal Year Ended October 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Authority's Contractually Required Contribution	$ 537,914.00	$ 506,326.00	$ 462,709.00	$ 420,453.00	$ 394,306.00
Authority's Contribution in Relation to the Contractually Required Contribution	(537,914.00)	(506,326.00)	(462,709.00)	(420,453.00)	(394,306.00)
Authority's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 3,851,549.00	$ 3,741,360.00	$ 3,721,662.00	$ 3,550,862.00	$ 3,437,345.00
Authority's Contributions as a Percentage of Covered Payroll	13.97%	13.53%	12.43%	11.84%	11.47%

GLOUCESTER COUNTY UTILITIES AUTHORITY
Required Supplementary Information
Notes to Required Supplementary Information
For the Fiscal Year Ended October 31, 2023

Note 1: POSTEMPLOYMENT BENEFITS - PENSION

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

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

Year	Rate	Year	Rate
2023	7.00%	2018	5.66%
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%

The long-term expected rate of return used as of June 30 measurement date is as follows:

Year	Rate	Year	Rate
2023	7.00%	2018	7.00%
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Required Supplementary Information
Notes to Required Supplementary Information (Cont'd)
For the Fiscal Year Ended October 31, 2023

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

State Health Benefits Local Government Retired Employees Plan

Change in Benefit Terms:

The actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions:

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

Year	Rate	Year	Rate
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%
2020	2.21%		

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

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend update.

There were no changes to mortality projections.

SUPPLEMENTARY SCHEDULES

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget--Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended October 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues:				
Operating Revenues:				
Sewer Service Charges	$ 22,500,000.00	$ 22,500,000.00	$ 21,548,260.82	$ (951,739.18)
Connection Fees	1,000,000.00	1,000,000.00	1,718,440.70	718,440.70
Sale of Effluent	340,000.00	340,000.00	373,897.45	33,897.45
Miscellaneous Income	50,000.00	50,000.00	437,050.38	387,050.38
Total Operating Revenues	23,890,000.00	23,890,000.00	24,077,649.35	187,649.35
Non-Operating Revenues:				
Investment Income			1,802,138.56	1,802,138.56
Total Non-Operating Revenues	-	-	1,802,138.56	1,802,138.56
Total Revenues	23,890,000.00	23,890,000.00	25,879,787.91	1,989,787.91
Operating Appropriations:				
Administration:				
Salaries and Wages:				
Administration	691,353.00	691,353.00	581,304.36	110,048.64
Fringe Benefits:				
Public Employee's Retirement System	724,300.00	724,300.00	723,065.00	1,235.00
Social Security System	56,407.00	56,407.00	42,080.58	14,326.42
Unemployment Compensation	14,204.00	14,204.00	7,660.67	6,543.33
Employee Benefits	188,300.00	188,300.00	150,954.22	37,345.78
Total Fringe Benefits	983,211.00	983,211.00	923,760.47	59,450.53
Other Expenses:				
Advertising	6,500.00	6,500.00	1,290.97	5,209.03
Travel Expense	2,000.00	2,000.00		2,000.00
Postage Expense	6,825.00	6,825.00	4,246.82	2,578.18
Telephone Expense	56,365.00	56,365.00	52,196.74	4,168.26
Printing	6,804.00	6,804.00	3,131.25	3,672.75
Dues and Memberships	15,200.00	15,200.00	6,229.00	8,971.00
Equipment Maintenance	25,000.00	25,000.00		25,000.00
Equipment Rental	11,000.00	11,000.00	4,193.92	6,806.08
Training and Seminars	5,000.00	5,000.00	395.00	4,605.00
Permits and Registrations	318,648.00	318,648.00	9,450.10	309,197.90
Professional Services	300,000.00	300,000.00	117,085.00	182,915.00
Accounting and Auditing	122,500.00	122,500.00	59,970.00	62,530.00
Legal Services	180,000.00	180,000.00	119,478.00	60,522.00
Engineering	1,152,975.00	1,152,975.00	492,978.22	659,996.78
Trustee Fees	354,250.00	354,250.00	75,348.48	278,901.52
Computer Services	112,325.00	112,325.00	118,886.21	(6,561.21)
Insurance	1,050,610.00	1,050,610.00	969,172.00	81,438.00
Other Expenses	69,135.00	69,135.00	34,373.82	34,761.18
Books and Publications	500.00	500.00		500.00
Office Supplies	18,530.00	18,530.00	12,919.46	5,610.54
Miscellaneous Supplies	1,000.00	1,000.00		1,000.00
Office Equipment	27,300.00	27,300.00	6,533.09	20,766.91
County Infrastructure Improvements	675,000.00	675,000.00	675,000.00	-
Total Other Expenses	4,517,467.00	4,517,467.00	2,762,878.08	1,754,588.92
Total Administration	6,192,031.00	6,192,031.00	4,267,942.91	1,924,088.09

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget--Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended October 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Operating Appropriations (Cont'd):				
Cost of Providing Services:				
Salaries and Wages:				
Plant Salaries	$ 6,162,869.00	$ 6,162,869.00	$ 5,299,295.32	$ 863,573.68
Fringe Benefits:				
Uniform Rental	20,000.00	20,000.00	20,162.92	(162.92)
Social Security System	506,576.00	506,576.00	319,254.66	187,321.34
Unemployment Compensation	38,516.00	38,516.00	27,003.76	11,512.24
Employee Benefits	2,541,386.00	2,541,386.00	1,584,651.44	956,734.56
Total Fringe Benefits	3,106,478.00	3,106,478.00	1,951,072.78	1,155,405.22
Other Expenses:				
Travel Expense	3,800.00	3,800.00	956.38	2,843.62
Natural Gas	600,000.00	600,000.00	310,694.70	289,305.30
Electricity	2,000,000.00	2,000,000.00	2,058,575.08	(58,575.08)
Water and Sewer	20,947.00	20,947.00	7,070.90	13,876.10
Hunter Street Expense	31,500.00	31,500.00		31,500.00
Energy Project Costs	118,000.00	118,000.00	149,940.00	(31,940.00)
Dues and Memberships	4,800.00	4,800.00	3,873.75	926.25
Motor Vehicle Maintenance	52,698.00	52,698.00	11,679.97	41,018.03
Equipment Maintenance	600,000.00	600,000.00	587,922.31	12,077.69
Interceptor Rehabilitation	357,000.00	357,000.00	62,177.14	294,822.86
Equipment Rental	139,675.00	139,675.00	104,657.97	35,017.03
Training and Seminars	27,880.00	27,880.00	6,312.74	21,567.26
Incinerator Title V/Mact Rules	230,000.00	230,000.00		230,000.00
Doctor	13,500.00	13,500.00	7,249.00	6,251.00
Sludge Disposal	1,268,000.00	1,268,000.00	312,024.57	955,975.43
Books and Publications	4,000.00	4,000.00	207.93	3,792.07
Building and Construction Supplies	46,098.00	46,098.00	23,966.53	22,131.47
Fuel and Lubricants	123,866.00	123,866.00	79,721.58	44,144.42
Motor Vehicle Parts	57,552.00	57,552.00	60,500.34	(2,948.34)
Laboratory Services and Supplies	170,135.00	170,135.00	116,118.02	54,016.98
Janitorial Supplies	9,417.00	9,417.00	3,060.64	6,356.36
Electrical and Communication Supplies	303,143.00	303,143.00	308,365.35	(5,222.35)
Hardware and Minor Tools	36,185.00	36,185.00	22,921.39	13,263.61
Equipment and Machinery Parts	348,905.00	348,905.00	300,014.63	48,890.37
Plumbing, Heating, and HVAC Supplies	221,800.00	221,800.00	101,893.16	119,906.84
Safety Supplies	154,560.00	154,560.00	42,986.21	111,573.79
Chemicals and Gases	252,620.00	252,620.00	149,580.80	103,039.20
Sodium Hydroxide	35,970.00	35,970.00	2,353.75	33,616.25
Polymer	770,630.00	770,630.00	495,896.40	274,733.60
Chlorine	400,000.00	400,000.00	249,063.90	150,936.10
Odor / H2S Control	105,000.00	105,000.00		105,000.00
Buildings and Grounds Maintenance Supplies	323,200.00	323,200.00	323,457.00	(257.00)
Interceptor Supplies	17,108.00	17,108.00		17,108.00
Miscellaneous Supplies	300.00	300.00	216.00	84.00
Vehicles / Rentals	176,000.00	176,000.00	360,066.49	(184,066.49)
Laboratory Equipment	17,494.00	17,494.00	2,062.89	15,431.11
Electrical and Communication Equipment	143,062.00	143,062.00	58,542.35	84,519.65
General Equipment	263,600.00	263,600.00	57,390.49	206,209.51
Pitman Reuse Plant	49,800.00	49,800.00	24,209.88	25,590.12
Total Other Expenses	9,498,245.00	9,498,245.00	6,405,730.24	3,092,514.76
Total Cost of Providing Services	18,767,592.00	18,767,592.00	13,656,098.34	5,111,493.66

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget--Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended October 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Principal Payments on Debt Service in Lieu of Depreciation	$ 3,151,993.00	$ 3,151,993.00	$ 3,151,988.86	$ 4.14
Non-Operating Appropriations:				
Interest on Debt Service	694,691.00	694,691.00	694,689.80	1.20
CEF Contribution to Debt Service	(3,850,000.00)	(3,850,000.00)		(3,850,000.00)
County Appropriation	1,404,706.00	1,404,706.00	1,404,706.00	-
Other Reserves	1,000,000.00	1,000,000.00		1,000,000.00
Total Non-Operating Appropriations	(750,603.00)	(750,603.00)	2,099,395.80	(2,849,998.80)
Total Budget Appropriations	27,361,013.00	27,361,013.00	23,175,425.91	4,185,587.09
Unrestricted Net Position to Balance Budget	3,471,013.00	3,471,013.00	-	3,471,013.00
Total Appropriations and Unrestricted Net Position	23,890,000.00	23,890,000.00	23,175,425.91	714,574.09
Excess Budgetary Revenues Over Budgetary Appropriations	$ -	$ -	$ 2,704,362.00	$ 2,704,362.00

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget--Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended October 31, 2023

Reconciliation to Operating income

Excess Budgetary Revenues Over Budgetary Appropriations:		
Sewer Utility - Schedule 1		$ 2,704,362.00
Add:		
Principal Payments	$ 3,151,988.86	
Interest on Debt Service	694,689.80	
Expenditures Capitalized	417,807.88	
GASB 68 Pension Adjustment	777,384.00	
GASB 75 OPEB Adjustment	638,228.83	
County Appropriation	1,404,706.00	
		7,084,805.37
		9,789,167.37
Less:		
Depreciation	3,583,332.16	
Investment Income	1,802,138.56	
Accruals	133,002.00	
		5,518,472.72
Operating Income - Exhibit B		$ 4,270,694.65

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Revenue Bonds Payable
For the Fiscal Year Ended October 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding October 31, 2023 Date	Amount	Interest Rate	Balance Nov. 1, 2022	Paid	Balance Oct. 31, 2023
Sewer Revenue Refunding Bonds Series 2017	4/6/17	$ 12,475,000.00	2024	$ 1,135,000.00	5.00%			
			2025	575,000.00	4.00%			
			2026	250,000.00	4.00%			
			2027	260,000.00	4.00%			
			2028	270,000.00	4.00%			
			2029	280,000.00	3.00%			
			2030	285,000.00	3.00%	$ 4,135,000.00	$ 1,080,000.00	$ 3,055,000.00
						$ 4,135,000.00	$ 1,080,000.00	3,055,000.00

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended October 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding October 31, 2023 Date	Amount	Interest Rate	Balance Nov. 1, 2022	Decreases	Balance Oct. 31, 2023
2008 New Jersey Infrastructure Bank - Trust Loan	11/6/08	$ 1,670,000.00	2024	$ 110,000.00	5.00%			
			2025	115,000.00	5.00%			
			2026	120,000.00	5.00%			
			2027	125,000.00	5.00%			
			2028	135,000.00	5.00%	$ 710,000.00	$ 105,000.00	$ 605,000.00
2008 New Jersey Infrastructure Bank - Fund Loan	11/6/08	1,585,582.00	2024	82,011.57				
			2025	81,638.79				
			2026	16,344.41	NIL	262,386.57	82,391.80	179,994.77
2010 New Jersey Infrastructure Bank - Trust Loan	3/10/10	320,000.00	2024	20,000.00	4.00%			
			2025	20,000.00	4.00%			
			2026	20,000.00	3.50%			
			2027	20,000.00	4.00%			
			2028	25,000.00	4.00%			
			2029	25,000.00	4.00%	150,000.00	20,000.00	130,000.00

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended October 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding October 31, 2023 Date	Maturities of Loans Outstanding October 31, 2023 Amount	Interest Rate	Balance Nov. 1, 2022	Decreases	Balance Oct. 31, 2023
2010 New Jersey Infrastructure Bank - Fund Loan	3/10/10	$ 956,850.00	2024	$ 50,360.52				
			2025	50,360.52				
			2026	50,360.52				
			2027	50,360.52				
			2028	50,360.52				
			2029	50,360.64	NIL	$ 352,523.76	$ 50,360.52	$ 302,163.24
2010 New Jersey Infrastructure Bank - ARRA - Trust Loan	3/10/10	121,157.44	2024	6,929.05	3.50%			
			2025	7,171.57	3.60%			
			2026	7,429.75	3.66%			
			2027	7,701.68	3.80%			
			2028	7,994.34	3.89%			
			2029	8,305.32	3.99%	52,234.87	6,703.16	45,531.71
2010 New Jersey Infrastructure Bank - ARRA - Fund Loan	3/10/10	344,000.00	2024	6,000.00				
			2025	6,000.00				
			2026	6,000.00				
			2027	6,000.00				
			2028	6,000.00				
			2029	6,000.00	NIL	42,000.00	6,000.00	36,000.00

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended October 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding October 31, 2023 Date	Maturities of Loans Outstanding October 31, 2023 Amount	Interest Rate	Balance Nov. 1, 2022	Decreases	Balance Oct. 31, 2023
2010 New Jersey Infrastructure Bank - Trust Loan	12/2/10	$ 1,075,000.00	2024	$ 65,000.00	5.00%			
			2025	65,000.00	5.00%			
			2026	70,000.00	5.00%			
			2027	75,000.00	5.00%			
			2028	75,000.00	5.00%			
			2029	80,000.00	5.00%			
			2030	85,000.00	5.00%	$ 575,000.00	$ 60,000.00	$ 515,000.00
2010 New Jersey Infrastructure Bank - Fund Loan	12/2/10	1,117,500.00	2024	58,815.78				
			2025	58,815.78				
			2026	58,815.78				
			2027	58,815.78				
			2028	58,815.78				
			2029	58,815.78				
			2030	58,815.96	NIL	470,526.42	58,815.78	411,710.64
2013 New Jersey Infrastructure Bank - Trust Loan	5/22/13	930,000.00	2024	50,000.00	5.00%			
			2025	55,000.00	3.00%			
			2026	55,000.00	3.00%			
			2027	55,000.00	3.00%			
			2028	55,000.00	3.00%			
			2029	60,000.00	3.00%			
			2030	60,000.00	3.00%			
			2031	60,000.00	3.00%			
			2032	65,000.00	3.00%	565,000.00	50,000.00	515,000.00

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended October 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding October 31, 2023 Date	Maturities of Loans Outstanding October 31, 2023 Amount	Interest Rate	Balance Nov. 1, 2022	Decreases	Balance Oct. 31, 2023
2013 New Jersey Infrastructure Bank - Fund Loan	5/22/13	$ 2,907,813.00	2024	$ 147,854.89				
			2025	147,854.89				
			2026	147,854.89				
			2027	147,854.89				
			2028	147,854.89				
			2029	147,854.89				
			2030	147,854.89				
			2031	136,981.94	NIL	$ 1,319,821.06	$ 147,854.89	$ 1,171,966.17
2015 New Jersey Infrastructure Bank - Trust Loan	5/28/15	1,015,000.00	2024	50,000.00	5.00%			
			2025	50,000.00	5.00%			
			2026	55,000.00	5.00%			
			2027	60,000.00	4.00%			
			2028	60,000.00	4.00%			
			2029	65,000.00	4.00%			
			2030	65,000.00	4.00%			
			2031	65,000.00	4.00%			
			2032	70,000.00	4.00%			
			2033	75,000.00	4.00%			
			2034	75,000.00	4.00%	740,000.00	50,000.00	690,000.00

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended October 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding October 31, 2023 Date	Maturities of Loans Outstanding October 31, 2023 Amount	Interest Rate	Balance Nov. 1, 2022	Decreases	Balance Oct. 31, 2023
2015 New Jersey Infrastructure Bank - Fund Loan	5/28/15	$ 3,281,981.00	2024	$ 128,976.10				
			2025	128,976.10				
			2026	128,976.10				
			2027	128,976.10				
			2028	128,976.10				
			2029	128,976.10				
			2030	128,976.10				
			2031	128,976.10				
			2032	128,976.10				
			2033	128,976.10				
			2034	127,634.20	NIL	$ 1,546,371.30	$ 128,976.10	$ 1,417,395.20

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended October 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding October 31, 2023 Date	Maturities of Loans Outstanding October 31, 2023 Amount	Interest Rate	Balance Nov. 1, 2022	Decreases	Balance Oct. 31, 2023
2018 New Jersey Infrastructure Bank - Trust Loan	5/22/18	$ 440,000.00	2024	$ 10,000.00	5.000%			
			2025	10,000.00	5.000%			
			2026	10,000.00	5.000%			
			2027	10,000.00	5.000%			
			2028	15,000.00	3.000%			
			2029	15,000.00	3.000%			
			2030	15,000.00	3.000%			
			2031	15,000.00	3.000%			
			2032	15,000.00	3.125%			
			2033	15,000.00	3.125%			
			2034	15,000.00	3.250%			
			2035	15,000.00	3.250%			
			2036	15,000.00	3.375%			
			2037	15,000.00	3.375%			
			2038	15,000.00	3.375%			
			2039	20,000.00	3.375%			
			2040	20,000.00	3.500%			
			2041	20,000.00	3.500%			
			2042	20,000.00	3.500%			
			2043	20,000.00	3.500%			
			2044	20,000.00	3.500%			
			2045	20,000.00	3.500%			
			2046	20,000.00	3.500%			
			2047	25,000.00	3.500%	$ 400,000.00	$ 10,000.00	$ 390,000.00

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended October 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding October 31, 2023 Date	Amount	Interest Rate	Balance Nov. 1, 2022	Decreases	Balance Oct. 31, 2023
2018 New Jersey Infrastructure Bank - Fund Loan	5/22/18	$ 1,285,809.00	2024	$ 44,466.01				
			2025	44,466.01				
			2026	44,466.01				
			2027	44,466.01				
			2028	44,466.01				
			2029	44,466.01				
			2030	44,466.01				
			2031	44,466.01				
			2032	44,466.01				
			2033	44,466.01				
			2034	44,466.01				
			2035	44,466.01				
			2036	44,466.01				
			2037	44,466.01				
			2038	44,466.01				
			2039	44,466.01				
			2040	44,466.01				
			2041	44,466.01				
			2042	44,466.01				
			2043	44,466.01				
			2044	44,466.01				
			2045	44,466.01				
			2046	44,466.01				
			2047	11,735.72	NIL	$ 1,078,919.96	$ 44,466.01	$ 1,034,453.95

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended October 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding October 31, 2023 Date	Maturities of Loans Outstanding October 31, 2023 Amount	Interest Rate	Balance Nov. 1, 2022	Decreases	Balance Oct. 31, 2023
2018 New Jersey Infrastructure Bank - Trust Loan	11/29/18	$ 10,345,000.00	2024	$ 220,000.00	5.00%			
			2025	230,000.00	5.00%			
			2026	245,000.00	5.00%			
			2027	255,000.00	5.00%			
			2028	270,000.00	4.00%			
			2029	280,000.00	4.00%			
			2030	290,000.00	4.00%			
			2031	305,000.00	4.00%			
			2032	315,000.00	4.00%			
			2033	325,000.00	4.00%			
			2034	340,000.00	4.00%			
			2035	355,000.00	4.00%			
			2036	370,000.00	4.00%			
			2037	385,000.00	4.00%			
			2038	400,000.00	4.00%			
			2039	415,000.00	4.00%			
			2040	430,000.00	4.00%			
			2041	450,000.00	4.00%			
			2042	465,000.00	4.00%			
			2043	485,000.00	4.00%			
			2044	505,000.00	4.00%			
			2045	525,000.00	4.00%			
			2046	545,000.00	4.00%			
			2047	565,000.00	4.00%			
			2048	590,000.00	4.00%	$ 9,770,000.00	$ 210,000.00	$ 9,560,000.00

(Continued)

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended October 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding October 31, 2023 Date	Maturities of Loans Outstanding October 31, 2023 Amount	Interest Rate	Balance Nov. 1, 2022	Decreases	Balance Oct. 31, 2023
2018 New Jersey Infrastructure Bank - Fund Loan	11/29/18	$ 30,895,478.00	2024	$ 1,041,420.60				
			2025	1,041,420.60				
			2026	1,041,420.60				
			2027	1,041,420.60				
			2028	1,041,420.60				
			2029	1,041,420.60				
			2030	1,041,420.60				
			2031	1,041,420.60				
			2032	1,041,420.60				
			2033	1,041,420.60				
			2034	1,041,420.60				
			2035	1,041,420.60				
			2036	1,041,420.60				
			2037	1,041,420.60				
			2038	1,041,420.60				
			2039	1,041,420.60				
			2040	1,041,420.60				
			2041	1,041,420.60				
			2042	1,041,420.60				
			2043	1,041,420.60				
			2044	1,041,420.60				
			2045	1,041,420.60				
			2046	1,041,420.60				
			2047	1,041,420.60				
			2048	157,141.80	NIL	$ 26,192,656.80	$ 1,041,420.60	$ 25,151,236.20
						$ 44,227,440.74	$ 2,071,988.86	$ 42,155,451.88

GLOUCESTER COUNTY UTILITIES AUTHORITY

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

For the Fiscal Year Ended October 31, 2023

GLOUCESTER COUNTY UTILITIES AUTHORITY
Schedule of Findings and Recommendations
For the Fiscal Year Ended October 31, 2023

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

No Current Year Findings

32450

GLOUCESTER COUNTY UTILITIES AUTHORITY
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with the audit requirements as prescribed by the Bureau of Authority Regulations, Division of Local Governmental Services, Department of Community Affairs, State of New Jersey.

No Prior Year Findings

32450

APPRECIATION

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants