MONROE MUNICIPAL UTILITIES AUTHORITY

REPORT OF AUDIT

FOR THE FISCAL YEARS ENDED

JUNE 30, 2020 AND 2019

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

MONROE MUNICIPAL UTILITIES AUTHORITY
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MONROE MUNICIPAL UTILITIES AUTHORITY
Roster of Officials
June 30, 2020

MEMBERS	POSITION
Joseph P. DiLolle, Jr.	Chairman
Hank Calloway	Vice-Chairman
Ralph J. Manfredi, Jr.	Secretary
Robert Simone	Treasurer
Anthony Neri	Assistant Treasurer
Randy Cossaboon	Alternate Board Member

OTHER OFFICIALS	POSITION
Wendy D. Mahoney	Executive Director
Edward Haaf *(through June 17, 2020)*	Superintendent
Frank Cossabone *(appointed June 17, 2020)*	Superintendent
Charlene Denneny	Office Manager
Florio, Perrucci, Steinhardt & Cappelli, LLC	Solicitor
Federici & Akin, P.E.	Engineer

MONROE MUNICIPAL UTILITIES AUTHORITY

PART 1

FINANCIAL SECTION

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
Monroe Municipal Utilities Authority
Williamstown, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Monroe Municipal Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the Township of Monroe (Authority), as of and for the fiscal years ended June 30, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Monroe Municipal Utilities Authority, in the County of Gloucester, State of New Jersey as of June 30, 2020 and 2019, 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.

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35200

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the Authority's total OPEB liability and related ratios, 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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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.

Other 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 not a required part of the basic financial statements.

The accompanying supplementary schedules as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, 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 April 21, 2021 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
April 21, 2021

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
Monroe Municipal Utilities Authority
Williamstown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Monroe Municipal Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the Township of Monroe, (Authority), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 21, 2021.

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 may exist that have not been identified.

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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
April 21, 2021

Monroe Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2020 and 2019
(Unaudited)

FINANCIAL HIGHLIGHTS

Management believes the financial position of the Monroe Municipal Utilities Authority (the "Authority") to be strong with the current year change in net position of $1,866,296.41. According to its bond covenants, the Authority is required to have 110% coverage on debt service; the Authority did meet the required coverage for the fiscal year ending June 30, 2020, realizing a 133% coverage and did not meet the required coverage for the fiscal year ending June 30, 2019, realizing a 97% coverage

Key financial highlights for the Authority's fiscal year 2020 were:

- The Authority generated investment income of $49,833.63 during the current fiscal year as compared to $69,359.66 in fiscal year 2019.
- Operating revenues for fiscal year 2020 were $13,039,128.55 as compared to $12,429,368.81 for fiscal year 2019.
- Operating expenses for fiscal year 2020 were $10,574,915.55 as compared to $11,780,923.04 for fiscal year 2019.
- Operating income for fiscal year 2020 was $2,464,213.00 as compared to $648,445.77 for fiscal year 2019.
- Change in Net Position for fiscal year 2020 was an increase of $1,866,296.41 as compared to an increase of $161,911.69 for fiscal year 2019.
- At year-end, total Net Position was $19,510,771.09 as compared to $17,644,474.68 for fiscal year 2019.

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 statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statements of net position include 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 statements 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 statements 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 statements of cash flows provides 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.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

The Authority's total net position was $19,510,771.09 as of June 30, 2020 as shown below:

MONROE MUNICIPAL UTILITIES AUTHORITY
Statements of Net Position
As of June 30, 2020, 2019 and 2018

	2020	2019	2018	Change from 2019 to 2020 Amount	Percentage
Unrestricted Assets	$ 6,940,378.48	$ 6,086,383.65	$ 6,994,479.29	$ 853,994.83	14.03%
Restricted Assets	5,844,255.10	7,443,878.15	7,102,578.41	(1,599,623.05)	-21.49%
Capital Assets	35,106,022.30	35,332,984.48	36,376,325.17	(226,962.18)	-0.64%
	47,890,655.88	48,863,246.28	50,473,382.87	(972,590.40)	-1.99%
Deferred Outflows of Resources	1,814,352.06	2,508,303.85	3,209,381.99	(693,951.79)	-27.67%
Current Liabilities	2,985,288.06	2,657,796.23	3,019,694.46	327,491.83	12.32%
Long Term Liabilities	20,111,712.79	25,089,735.68	29,851,953.96	(4,978,022.89)	-19.84%
	23,097,000.85	27,747,531.91	32,871,648.42	(4,650,531.06)	-16.76%
Deferred Inflows of Resources	7,097,236.00	5,979,543.54	3,328,553.45	1,117,692.46	18.69%
Net Position					
Net Investment in Capital Assets	25,134,399.52	23,897,715.05	23,252,252.81	1,236,684.47	5.17%
Restricted	5,531,783.92	6,079,081.58	6,049,564.58	(547,297.66)	-9.00%
Unrestricted	(11,155,412.35)	(12,332,321.95)	(11,819,254.40)	1,176,909.60	-9.54%
	$ 19,510,771.09	$ 17,644,474.68	$ 17,482,562.99	$ 1,866,296.41	10.58%

Monroe Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2020 and 2019
(Unaudited)

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

For the current fiscal year, the Authority realized operating income of $2,464,213.00 and net non-operating revenues (expenses) totaling $597,916.59, resulting in a change in net position for the current fiscal year of $1,866,296.41. Major components of this activity are detailed in the statement below:

MONROE MUNICIPAL UTILITIES AUTHORITY
Statements of Revenue, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2020, 2019, and 2018

	2020	2019	2018	Change from 2019 to 2020 Amount	Change from 2019 to 2020 Percentage
Operating Revenues:					
Service Charges	$ 12,105,778.39	$ 11,814,731.61	$ 11,792,769.99	$ 291,046.78	2.46%
Connection Fees	706,787.96	455,562.61	769,264.85	251,225.35	55.15%
Other Operating Revenues	226,562.20	159,074.59	190,659.00	67,487.61	42.43%
Total Operating Revenues	13,039,128.55	12,429,368.81	12,752,693.84	609,759.74	4.91%
Operating Expenses:					
Administration:					
Salaries and Wages	670,786.22	639,145.52	770,668.02	31,640.70	4.95%
Fringe Benefits	113,282.96	413,304.37	641,242.30	(300,021.40)	-72.59%
Other Expenses	632,904.35	718,446.94	662,667.32	(85,542.59)	-11.91%
Total Administration	1,416,973.53	1,770,896.83	2,074,577.64	(353,923.29)	-19.99%
Cost of Providing Services:					
Salaries and Wages	2,032,164.56	1,903,186.55	1,787,142.05	128,978.01	6.78%
Fringe Benefits	491,448.07	1,206,458.30	1,496,232.04	(715,010.23)	-59.27%
Other Expenses	5,059,892.44	5,314,815.34	4,846,962.33	(254,922.90)	-4.80%
Total Cost of Providing Services	7,583,505.07	8,424,460.19	8,130,336.42	(840,955.12)	-9.98%
Depreciation	1,574,436.95	1,585,566.03	1,640,708.56	(11,129.08)	-0.70%
Total Operating Expenses	10,574,915.55	11,780,923.04	11,845,622.62	(1,206,007.49)	-10.24%
Operating Income	2,464,213.00	648,445.77	907,071.22	1,815,767.23	280.02%
Non-operating Revenue (Expenses)	(597,916.59)	(486,534.08)	(653,651.41)	(111,382.51)	22.89%
Change in Net Position	1,866,296.41	161,911.69	253,419.81	1,704,384.72	1052.66%
Net Position July 1	17,644,474.68	17,482,562.99	17,229,143.18	161,911.69	0.93%
Net Position June 30	$ 19,510,771.09	$ 17,644,474.68	$ 17,482,562.99	$ 1,866,296.41	10.58%

Monroe Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2020 and 2019
(Unaudited)

OVERALL ANALYSIS

The Authority's financial position remains strong. The Authority was able to realize the budgeted sewer revenues, but unable to realize its budgeted water revenues for the fiscal year ending June 30, 2020. However, the Authority was able to meet its debt service coverage requirements in the current period.

The Authority has not experienced any decrease in the number or overall mix of its residential, commercial, public and industrial customer billing base.

Connection fee revenue in the current fiscal year was $706,787.96. Developers pay connection fees upon submittal of plans to connect residential developments, commercial properties, etc. into the Authority's water and/or sewer 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 $1,866,296.41 to $19,510,771.09. Monroe Township continues to be a desirable location for residential and commercial development. The composition of the ratepayer base is well diversified. The residential and public sectors, the most stable when considering the volatility of a billing base, comprise approximately 95% of the Authority's customers. There is no particular emphasis or imbalance in the type of business enterprises within the commercial sector. Industrial users exist, but do not comprise a major portion of the Authority's billing base.

BUDGET VARIANCES

The Authority's fiscal 2020 projected revenues for the sewer utility were collected and were sufficient to satisfy all fiscal 2020 operating and non-operating expenditures.

The Authority's fiscal 2020 projected revenues for the water utility were collected and were sufficient to satisfy all fiscal 2020 operating and non-operating expenditures.

Actual sewer revenues in the amount of $7,226,833.33 exceeded the adopted budget of $6,896,300.00 by $330,533.33, primarily due to additional connection fees received.

Actual sewer budgetary expenditures of $6,287,555.46 were less than the adopted budget of $6,896,300.00 by $608,744.54. Individual appropriation budget variances are detailed in Schedule 2.

Actual water revenues of $5,862,128.85 were less than the budgeted water revenues of $5,896,800.00 by $34,671.15, primarily due to the deficit in service charges of $298,062.17. In addition, connection fee exceeded the budget by $212,321.86, negating the deficit realized in service fees.

Actual water budgetary expenditures of $5,718,055.45 were less than the adopted budget of $5,896,800.00 by $178,744.55. Individual appropriation budget variances are detailed in Schedule 3.

CAPITAL ASSET AND LONG-TERM ACTIVITY

The Authority continues to maintain a proactive maintenance philosophy for its capital facilities. The Authority has four ongoing capital projects, two funded through the Renewal and Replacement Fund and two funded through the Construction Fund. The capital program for the water and sewer funds 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 water and wastewater systems.

During the current fiscal year, the Authority invested an additional $1,498,589.09 in capital assets. The more significant increases were due to additional construction in progress costs and major repairs.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide Monroe'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, Monroe Municipal Utilities Authority, 372 South Main Street, Williamstown, NJ 08094.

BASIC FINANCIAL STATEMENTS

MONROE MUNICIPAL UTILITIES AUTHORITY
Statements of Net Position
As of June 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	$ 6,215,490.65	$ 5,393,610.28
Consumer Accounts Receivable	579,478.95	492,099.14
Inventory	55,052.12	113,230.86
Prepaid Expenses	90,356.76	87,443.37
Total Unrestricted Assets	6,940,378.48	6,086,383.65
Restricted Assets:		
Cash and Cash Equivalents	5,844,255.10	7,443,878.15
Total Restricted Assets	5,844,255.10	7,443,878.15
Total Current Assets	12,784,633.58	13,530,261.80
Noncurrent Assets:		
Capital Assets:		
Completed (Net of Accumulated Depreciation)	33,303,809.86	34,565,109.41
Construction in Progress	1,802,212.44	767,875.07
Total Capital Assets	35,106,022.30	35,332,984.48
Total Assets	47,890,655.88	48,863,246.28
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	1,156,158.00	1,823,099.00
Related to OPEB	619,545.42	630,963.00
Deferred Loss on Defeasance of Debt	38,648.64	54,241.85
Total Deferred Outflows of Resources	1,814,352.06	2,508,303.85

(Continued)

MONROE MUNICIPAL UTILITIES AUTHORITY
Statements of Net Position
As of June 30, 2020 and 2019

	2020	2019
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable - Operations	$ 474,890.07	$ 207,586.42
Accounts Payable - Related to Pensions	328,728.00	286,014.00
Payroll Deductions Payable	7,196.87	5,483.76
Developer Escrow Deposits	166,343.66	91,691.43
Total Current Liabilities Payable from Unrestricted Assets	977,158.60	590,775.61
Current Liabilities Payable from Restricted Assets:		
Revenue Bonds Payable - Current Portion	1,765,000.00	1,805,000.00
Accrued Interest Payable	193,175.00	262,020.62
Contracts Payable	49,954.46	-
Total Current Liabilities Payable from Restricted Assets	2,008,129.46	2,067,020.62
Long-term Liabilities:		
Revenue Bonds Payable	8,195,316.96	10,468,538.75
Other Post Employment Benefits Obligation	6,559,431.00	8,046,218.00
Related to Pensions	5,298,112.00	6,519,797.00
Accrued Compensated Absences	58,852.83	55,181.93
Total Long-term Liabilities	20,111,712.79	25,089,735.68
Total Liabilities	23,097,000.85	27,747,531.91
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	2,687,202.00	2,292,574.00
Related to OPEB	4,410,034.00	3,600,955.00
Unearned Assessment Revenues	-	86,014.54
Total Deferred Inflows of Resources	7,097,236.00	5,979,543.54
NET POSITION		
Net Investment in Capital Assets	25,134,399.52	23,897,715.05
Restricted:		
Bond Resolution Covenants	5,531,783.92	6,079,081.58
Unrestricted (Deficit)	(11,155,412.35)	(12,332,321.95)
Total Net Position	$ 19,510,771.09	$ 17,644,474.68

The accompanying Notes to Financial Statements are an integral part of this statement.

MONROE MUNICIPAL UTILITIES AUTHORITY
Statements of Revenue, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2020 and 2019

	2020	2019
Operating Revenues:		
Service Charges	$ 12,105,778.39	$ 11,814,731.61
Connection Fees	706,787.96	455,562.61
Other Operating Revenues	226,562.20	159,074.59
Total Operating Revenues	13,039,128.55	12,429,368.81
Operating Expenses:		
Administration:		
Salaries and Wages	670,786.22	639,145.52
Fringe Benefits	113,282.96	413,304.37
Other Expenses	632,904.35	718,446.94
Cost of Providing Service:		
Salaries and Wages	2,032,164.56	1,903,186.55
Fringe Benefits	491,448.07	1,206,458.30
Other Expenses	5,059,892.44	5,314,815.34
Depreciation	1,574,436.95	1,585,566.03
Total Operating Expenses	10,574,915.55	11,780,923.04
Operating Income	2,464,213.00	648,445.77
Non-operating Revenue (Expenses):		
Investment Income	49,833.63	69,359.66
Interest Expense	(315,514.24)	(521,443.28)
Other Non-Operating	-	(552.68)
Major Repairs and Other Expenses	(201,068.78)	(33,897.78)
Bond Issue Costs	(131,167.20)	-
Total Non-operating Revenue (Expenses)	(597,916.59)	(486,534.08)
Change in Net Position	1,866,296.41	161,911.69
Net Position July 1	17,644,474.68	17,482,562.99
Net Position June 30	$ 19,510,771.09	$ 17,644,474.68

The accompanying Notes to Financial Statements are an integral part of this statement.

MONROE MUNICIPAL UTILITIES AUTHORITY
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities:		
Receipts from Customers	$ 12,951,748.74	$ 12,425,320.36
Payments to Suppliers	(6,181,263.75)	(8,147,820.09)
Payments to Employees	(3,481,259.19)	(2,369,983.61)
Other Operating Receipts	280,957.16	439,624.93
Net Cash Provided by Operating Activities	3,570,182.96	2,347,141.59
Cash Flows from Noncapital Financing Activities:		
Deferred Assessment Revenues	(86,014.54)	960.09
Net Cash Provided by (Used in) Noncapital Financing Activities	(86,014.54)	960.09
Cash Flows from Capital and Related Financing Activities:		
Capital Acquisitions	(1,498,589.09)	(584,822.00)
Bond Principal	(1,805,000.00)	(1,730,000.00)
Interest Expense	(442,793.12)	(558,872.49)
Bond Proceeds	5,255,000.00	-
Bond Issue Costs	(131,167.20)	-
Premium on Bonds	470,821.25	-
Transferred to Bond Defeasance Account	(6,160,016.55)	-
Net Cash Used in Capital and Related Financing Activities	(4,311,744.71)	(2,873,694.49)
Cash Flows from Investing Activities:		
Interest on Investments	49,833.61	69,359.66
Net Cash Provided by Investing Activities	49,833.61	69,359.66
Net Decrease in Cash and Cash Equivalents	(777,742.68)	(456,252.22)
Cash and Cash Equivalents -- July 1	12,837,488.43	13,293,740.65
Cash and Cash Equivalents -- June 30	$ 12,059,745.75	$ 12,837,488.43
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	$ 2,464,213.00	$ 648,445.77
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	1,574,436.95	1,585,566.03
GASB 68	(117,402.00)	116,301.00
GASB 75	(666,290.42)	50,973.00
Change in Assets and Liabilities:		
Change in Consumer Accounts Receivable	(87,379.81)	(4,048.45)
Change in Other Accounts Receivable	-	1,838.17
Change in Inventory	58,178.74	106,269.47
Change in Prepaid Expenses	(2,913.39)	6,484.49
Change in Accounts Payable - Operations	267,303.65	(160,187.68)
Change in Payroll Deductions Payable	1,713.11	(236.41)
Change in Accrued Liabilities	3,670.90	3,472.69
Change in Developers' Escrow Deposits	74,652.23	(7,736.49)
Net Cash Provided from Operating Activities	$ 3,570,182.96	$ 2,347,141.59

The accompanying Notes to Financial Statements are an integral part of this statement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Monroe Municipal Utilities Authority is a public body corporate and politic of the State of New Jersey and was originally created by an ordinance adopted on September 26, 1957 by the governing body of the Township of Monroe (the "Township"). By Ordinance of the governing body of the Township adopted May 8, 1959, the Authority was recognized as a municipal utilities authority pursuant to the Municipal and County Utilities Authorities Law.

The Authority currently provides water distribution and sewerage collection service to substantially all residences and businesses within the Township. The Authority commenced operations in 1960 and since then has undertaken various construction projects to upgrade and expand the system.

The Authority Board consists of five members and one alternate, who are appointed by resolution of the Township Council for five-year terms. The daily operations of the Authority are managed by the Executive Director.

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 by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. 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 Township of Monroe.

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 divided into two separate activities (water and sewer) within the enterprise fund type. Each activity is accounted for by providing a separate 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. Water and sewer service charges are recognized as revenue when services are provided. Connection fees are recognized when they are received by the Authority.

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, bond issue costs, bond discounts, deferred loss on defeasance and the annual required contributions for the Authority's Other Postemployment Benefits (OPEB) Plan and the Net Pension Liability (PERS) 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 detail shown on the Statements of Revenue, 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 adopted 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 municipal 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 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.

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

Inventories

Inventory consists principally of water meters and is valued at cost. The Authority has determined that any chemicals for the treatment of water, sewerage and sludge that are on hand are immaterial and are not recorded in the financial statements.

Prepaid Expenses

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the applicable fiscal year end.

Capital Assets

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets are stated at historical cost or estimated historical 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.

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

Depreciation

Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	Years
Major Moveable Equipment	5-20
Vehicles	8
Buildings and Infrastructure	40

Bond Premiums

Bond premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in a systematic and rational method, from the issue date to maturity as a component of interest expense. Bond premiums are presented as an adjustment of the face amount on the bonds.

Deferred Outflows and Deferred Inflows of Resources

The 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.

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

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

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: loss on defeasance of debt, unearned assessment revenues, 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 and is recorded as a liability until the revenue is both measurable and the Authority is eligible to realize the 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, 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 water treatment and sewer collection facilities (i.e., water and sewer rents and connection fees) and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

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

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

For the fiscal year ended June 30, 2020, the Authority early adopted Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The adoption of this Statement has impacted the fiscal year that the Authority will adopt several of the statements listed in the recently issued accounting pronouncements below.

Recently Issued Accounting Pronouncements

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

Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the Authority in the fiscal year ending June 30, 2021. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 90, *Major Equity Interests.* The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement will become effective for the Authority in the fiscal year ending June 30, 2021. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement originally would have become effective for the Authority in the fiscal year ending June 30, 2021, but as a result of GASB Statement 95 will become effective in the fiscal year ending June 30, 2022. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies accounting for interest cost incurred before the end of a construction period. This Statement originally would have become effective for the Authority in the fiscal year ending June 30, 2021, but as a result of GASB Statement 95 will become effective in the fiscal year ending June 30, 2022. Management has not yet determined the impact of this Statement on the financial statements.

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

Impact of Recently Issued Accounting Policies (Cont'd)

Recently Issued Accounting Pronouncements

Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement originally would have become effective for the Authority in the fiscal year ending June 30, 2022, but as a result of GASB Statement 95 will become effective in the fiscal year ending June 30, 2023. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 92, *Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statements are effective as follows:

1. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
2. The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 originally would have become effective for the Authority in the fiscal year ending June 30, 2021, but as a result of GASB Statement 95 will become effective in the fiscal year ending June 30, 2022.
3. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities originally would have become effective for the Authority in the fiscal year ending June 30, 2021, but as a result of GASB Statement 95 will become effective in the fiscal year ending June 30, 2022.
4. The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition originally would have become effective for the Authority in the fiscal year ending June 30, 2021, but as a result of GASB Statement 95 will become effective in the fiscal year ending June 30, 2022.

Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. This Statement will become effective for the Authority in the fiscal year ending June 30, 2021. GASB Statement 95 changed the effective date for paragraphs 13 and 14 to the fiscal year ending June 30, 2022. Management does not expect this Statement will have an impact on the financial statements.

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

Impact of Recently Issued Accounting Policies (Cont'd)

Recently Issued Accounting Pronouncements (Cont'd)

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The Statement will become effective for the Authority in the fiscal year ending June 30, 2023. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 96, *Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Statement will become effective for the Authority in the fiscal year ending June 30, 2023. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The portions of the statement effect component unit criteria are effective immediately, but the other portions of the Statement will become effective for the Authority in the fiscal year ending June 30, 2022. Management does not expect this Statement will have an impact on the financial statements.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

General Bond Resolution
The Authority is subject to the provisions and restrictions of the General Bond Resolution adopted June 24, 1987, as amended. As required by the Bond Resolution, certain cash accounts and investments of the Authority are maintained by an independent trustee, accounted for in various accounts and segregated for specific use and for the security of the bondholders. 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 - The balance on deposit must be equal to at least two months of the annual appropriation for operating expenses. At June 30, 2020 and 2019, the balance in the operating account meets the requirements of the Bond Resolution.

Debt 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 June 30, 2020 and 2019, the balance in the operating account meets the requirements of the Bond Resolution.

Debt Reserve Account - The amount of funds on deposit varies by revenue bond series and must be maintained to insure that funds are available for payment of Debt Service. At June 30, 2020 and 2019, the balance in the debt service reserve account meets the requirements of 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 June 30, 2020 and 2019, the balance in the renewal and replacement account meets the requirements of the Bond Resolution of $2,000,000.00.

Construction Account - This funds were held by the Trustee and used to pay for the cost of the 2010 project and are pledged, pending application to such costs, for the security of the payment of principal and interest on the Revenue Bonds.

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.

Rebate Account – An account established to maintain excess investment earnings per the annual rebate calculation on the Series 2004, Series 2007, Series 2010 and Series 2019 Bonds.

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

Debt Service Coverage

The Utility System Revenue Bond Resolution requires certain ratios of Net Revenues to Debt Service. Compliance with this covenant is calculated as follows:

	2020	2019
Operating Revenues:		
Utility Service Charges	$ 12,105,778.39	$ 11,814,731.61
Connection Fees	706,787.96	455,562.61
Investments and Miscellaneous Income	276,395.83	228,434.25
Net Revenues	13,088,962.18	12,498,728.47
Operating Expenses:		
Operating Expenses and Capital Outlay	9,985,239.80	10,061,980.79
	3,103,722.38	2,436,747.68
110% on Next Succeeding Year's Annual Debt Service Requirement	2,329,112.50	2,519,550.68
Excess (Deficit) of Revenues	$ 774,609.88	$ (82,803.00)

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 such as salary withholdings or funds that may pass to the Authority relative to the happening of a future condition. If the Authority had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule below.

As of June 30, 2020 and 2019, the Authority's bank balances were exposed to custodial credit risk as follows:

	June 30,	
	2020	2019
Insured by F.D.I.C. and GUDPA	$ 4,876,706.79	$ 5,093,302.70
Unissued and Uncollateralized	7,281,335.60	7,800,147.05
	$ 12,158,042.39	$ 12,893,449.75

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
2020	$ 492,099.14	$ 12,335,409.58	$ 12,248,029.77	95.48%
2019	488,050.69	11,905,307.61	11,901,259.16	96.03%
2018	559,874.89	11,895,301.59	11,967,125.79	96.08%

Capital Assets

During the fiscal year ended June 30, 2020, the following changes in Capital Assets occurred:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital Assets not being Depreciated:				
Land	$ 545,574.00			$ 545,574.00
Construction in Progress	767,875.07	$ 1,034,337.37		1,802,212.44
Total Capital Assets not being Depreciated	1,313,449.07	1,034,337.37	-	2,347,786.44
Capital Assets being Depreciated:				
Plants & Buildings	23,671,824.53			23,671,824.53
Machinery and Equipment	3,924,019.21	259,772.40	$ 33,468.00	4,150,323.61
Furniture & Fixtures	146,343.00			146,343.00
Mains & Laterals	35,109,495.26	53,415.00		35,162,910.26
Total Capital Assets being Depreciated	62,851,682.00	313,187.40	33,468.00	63,131,401.40
Total Capital Assets	64,165,131.07	1,347,524.77	33,468.00	65,479,187.84
Less:				
Accumulated Depreciation	28,832,146.59	1,574,436.95	33,468.00	30,373,115.54
Total Accumulated Depreciation	28,832,146.59	1,574,436.95	33,468.00	30,373,115.54
Capital Assets, Net	$ 35,332,984.48	$ (226,912.18)	$ -	$ 35,106,072.30

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

Capital Assets (Cont'd)

During the fiscal year ended June 30, 2019, the following changes in Capital Assets occurred:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital Assets not being Depreciated:				
Land	$ 545,574.00			$ 545,574.00
Construction in Progress	503,643.99	$ 571,512.48	$ 307,281.40	767,875.07
Total Capital Assets not being Depreciated	1,049,217.99	571,512.48	307,281.40	1,313,449.07
Capital Assets being Depreciated:				
Plants & Buildings	23,671,824.53			23,671,824.53
Machinery and Equipment	3,727,603.10	196,416.11		3,924,019.21
Furniture & Fixtures	146,343.00			146,343.00
Mains & Laterals	35,027,917.11	81,578.15		35,109,495.26
Total Capital Assets being Depreciated	62,573,687.74	277,994.26	-	62,851,682.00
Total Capital Assets	63,622,905.73	849,506.74	307,281.40	64,165,131.07
Less:				
Accumulated Depreciation	27,246,580.56	1,585,566.03	-	28,832,146.59
Total Accumulated Depreciation	27,246,580.56	1,585,566.03	-	28,832,146.59
Capital Assets, Net	$ 36,376,325.17	$ (736,059.29)	$ 307,281.40	$ 35,332,984.48

Note 4: DETAIL NOTES – DEFERRED OUTFLOWS OF RESOURCES

Deferred Loss of Defeasance of Debt

In August of 2010, the Authority refunded $5,055,000.00 of the 2001 Revenue Bonds. The Authority issued $5,205,000.00 in Revenue Refunding Bonds and received $123,388.65 in NOI premium, of which $5,275,780.31 was used to provide resources to purchase government obligations that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. 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 $293,810.02 (restated). This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations over the life of the refunding bonds using the straight-line method. The advance refunding was undertaken to reduce total debt payments over the next 10 years by $213,535.83 and to obtain a present value economic gain of $182,061.14.

In July of 2019, the Authority refunded $6,130,000 of the 2004 and 2007 Revenue Bonds. The Authority issued $5,255,000.00 in Revenue Refunding Bonds, received $470,821.25 in NOI premium and contributed 1,090,862.50 of Authority funds, of which $6,160,016.55 was used to provide resources to purchase government obligations that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. 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 $13,174.53. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations over the life of the refunding bonds using the straight-line method. The advance refunding was undertaken to reduce total debt payments over the next 9 years by $1,126,801.26 and to obtain a present value economic gain of $1,061,726.23.

Note 5: DETAIL NOTES – LIABILITIES

Long-term Liabilities

During the fiscal year ended June 30, 2020, the following changes occurred in long-term obligations:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Bonds and Loans Payable:					
Bonds Payable	$ 12,200,000.00	$ 5,255,000.00	$ (7,935,000.00)	$ 9,520,000.00	$ 1,765,000.00
Bond Premiums	73,538.75	470,821.25	(104,043.04)	440,316.96	87,201.02
Total Bonds Payable	12,273,538.75	5,725,821.25	(8,039,043.04)	9,960,316.96	1,852,201.02
Other Liabilities:					
Net Pension Liability	6,519,797.00	3,288,614.00	(4,510,299.00)	5,298,112.00	
Net OPEB Obligation	8,046,218.00	3,409,807.56	(4,896,594.56)	6,559,431.00	
Compensated Absences	55,181.93	18,111.64	(14,440.75)	58,852.82	
Total Other Liabilities	14,621,196.93	6,716,533.20	(9,421,334.31)	11,916,395.82	-
Total Long Term Liabilities	$ 26,894,735.68	$ 12,442,354.45	$ (17,460,377.35)	$ 21,876,712.78	$ 1,852,201.02

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

Long-term Liabilities(Cont'd)

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Bonds and Loans Payable:					
Bonds Payable	$ 13,930,000.00		$ (1,730,000.00)	$ 12,200,000.00	$ 1,805,000.00
Bond Premiums	103,257.72		(29,718.97)	73,538.75	
Total Bonds Payable	14,033,257.72	-	(1,759,718.97)	12,273,538.75	1,805,000.00
Other Liabilities:					
Net Pension Liability	7,780,858.00	$ 3,638,144.00	(4,899,205.00)	6,519,797.00	
Net OPEB Obiligation	9,716,129.00	2,144,135.02	(3,814,046.02)	8,046,218.00	
Compensated Absences	51,709.24	11,335.09	(7,862.40)	55,181.93	4,409.66
Total Other Liabilities	17,548,696.24	5,793,614.11	(8,721,113.42)	14,621,196.93	4,409.66
Total Long Term Liabilities	$ 31,581,953.96	$ 5,793,614.11	$ (10,480,832.39)	$ 26,894,735.68	$ 1,809,409.66

Revenue Bonds Payable

The Revenue Bonds Series 2004, 2007, 2010A, 2010B and 2019 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 water supply and distribution facilities and its sewerage treatment facilities. The Bonds are further secured by the limited service agreement between the Authority and the Township (See Note 7).

The 2004 Series Bonds were issued to fund various capital improvements to the Authority's system, fund a deposit to the Bond Reserve Account and pay certain costs related to the issuance of the 2004 Bonds. The Bonds were issued originally for $7,370,000.00 and carried interest rates ranging from 2.0% to 4.5%. Maturities due July 1, 2020 through 2024 were defeased during the fiscal year.

The 2007 Series Bonds were issued to fund various capital improvements to the Authority's system, fund a deposit to the Bond Reserve Account and pay certain costs related to the issuance of the 2007 Bonds. The Bonds were issued originally for $7,445,000.00 and carried interest rates ranging from 4.0% to 4.375%. Maturities due July 1, 2020 through 2027 were defeased during the fiscal year.

The 2010A Series Bonds were issued to fund various capital improvements to the Authority's system, fund a deposit to the Bond Reserve Account and pay certain costs related to the issuance of the 2010A Bonds. The Bonds were issued originally for $6,550,000.00 and carried interest rates ranging from 3.0% to 4.5%. The final maturity of the 2010A Bonds is July 1, 2025.

The 2010B Series Bonds were issued to provide funds to advance refund a portion of the Authority's 2001 Series Bonds, fund a deposit to the Bond Reserve Account and pay certain costs related to the issuance of the 2010B Bonds. The Bonds were issued originally for $5,205,000.00 and carried interest rates ranging from 2.0% to 4.0%. The final maturity on the 2010B Bonds is July 1, 2021.

The 2019 Series Bonds were issued to provide funds to advance refund the Authority's 2004 and 2007 Series Bonds, fund a deposit to the Bond Reserve Account and pay certain costs related to the issuance of the 2019 Bonds. The Bonds were issued originally for $5,255,000.00 and carried interest rates ranging from 3.0% to 4.0%. The final maturity on the 2019 Bonds is July 1, 2027.

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

Revenue Bonds Payable (Cont'd)

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	$ 1,765,000.00	$ 352,375.00	$ 2,117,375.00
2022	1,815,000.00	282,100.00	2,097,100.00
2023	1,285,000.00	219,468.75	1,504,468.75
2024	1,335,000.00	165,781.25	1,500,781.25
2025	1,390,000.00	109,250.00	1,499,250.00
2026-2028	1,930,000.00	95,837.50	2,025,837.50
	9,520,000.00	$ 1,224,812.50	$ 10,744,812.50
Less: Current Maturities			
Add: Premium on Bonds	440,316.96		
Long-term Portion	$ 9,960,316.96		

Compensated Absences

Authority employees may accumulate up to seventy unused sick days. Employees are compensated for accumulated sick leave upon retirement or resignation at their then current hourly rate of pay times the number of days accumulated. The accrued liability for accumulated sick leave is estimated to be $58,852.83 as of June 30, 2020 and $55,181.93 as of June 30, 2019.

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

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

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

Pension Plans (Cont'd)

General Information about the Pension Plans

Plan Descriptions

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 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, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll after May 21, 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 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 5: <u>DETAIL NOTES – LIABILITIES (CONT'D)</u>

Pension Plans (Cont'd)

<u>General Information about the Pension Plans (Cont'd)</u>

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 nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable 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 was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10.0% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Authority's contractually required contribution rate for the fiscal years ended June 30, 2020 and 2019 was 14.14% and 13.17% of the Authority's covered payroll, respectively. These amounts were actuarially determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the fiscal year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the Authority's contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was $286,012.00, and was payable by April 1, 2020. Based on the PERS measurement date of June 30, 2018, the Authority's contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was $329,368.00, and was payable by April 1, 2019. Employee contributions to the pension plan during the fiscal years ended June 30, 2020 and 2019 were $175,089.53 and $163,966.21, respectively.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, DCRP members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Authority contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal years ended June 30, 2020 and 2019, there were no employees participating in DCRP.

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 – PERS

At June 30, 2020, the Authority's proportionate share of the net pension liability was $5,298,112.00. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2019. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the Authority's proportion was .0294037629%, which was a decrease of .0037093006% from its proportion measured as of June 30, 2018.

At June 30, 2019, the Authority's proportionate share of the net pension liability was $6,519,797.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the Authority's proportion was .0331130635%, which was a decrease of .0003121602% from its proportion measured as of June 30, 2017.

For the fiscal years ended June 30, 2020 and 2019, the Authority recognized pension expense of $168,608.00 and $445,672.00, respectively. These amounts were based on the plan's June 30, 2019 and 2018 measurement dates, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources - At June 30, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2020		June 30, 2019	
	Measurement Date June 30, 2019		Measurement Date June 30, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 95,094.00	$ 23,405.00	$ 124,334.00	$ 33,618.00
Changes of Assumptions	529,036.00	1,838,958.00	1,074,355.00	2,084,684.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	83,633.00	-	61,156.00
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	203,300.00	741,206.00	338,396.00	113,116.00
Authority Contributions Subsequent to the Measurement Date	328,728.00	-	286,014.00	-
	$ 1,156,158.00	$ 2,687,202.00	$ 1,823,099.00	$ 2,292,574.00

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 – PERS

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

The deferred outflows of resources related to pensions totaling $327,728.00 and $286,014.00 will be included as a reduction of the net pension liability in the fiscal years ended June 30, 2021 and 2020, respectively. This amount is based on an estimated April 1, 2021 and April 1, 2020 contractually required contribution, prorated from the pension plans measurement date of June 30, 2019 and June 30, 2018 to the Authority's fiscal year end of June 30, 2020 and 2019.

The Authority 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
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

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 – PERS (Cont'd)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension (benefit) expense as follows:

Fiscal Year Ending June 30,	
2021	$ (228,595.00)
2022	(609,269.00)
2023	(589,447.00)
2024	(377,226.00)
2025	(55,235.00)
	$ (1,859,772.00)

Actuarial Assumptions – PERS

The net pension liability was measured as of June 30, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 and 2017. 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, 2019 and 2018. These actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date June 30, 2019	Measurement Date June 30, 2018
Inflation Rate:		
Price	2.75%	2.25%
Wage	3.25%	2.25%
Salary Increases:		
Through 2026	2.00% - 6.00% Based on Years of Service	1.65% - 4.15% Based on Age
Thereafter	3.00% - 7.00% Based on Years of Service	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2011 - June 30, 2014

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

Pension Plans (Cont'd)

Actuarial Assumptions – PERS (Cont'd)

For the June 30, 2019 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-2019.

For the June 30, 2018 measurement date, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019 and 2018) 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, 2019 and 2018 are summarized in the table on the following page.

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

Pension Plans (Cont'd)

Actuarial Assumptions – PERS (Cont'd)

	Measurement Date June 30, 2019		Measurement Date June 30, 2018	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%	5.00%	5.51%
Cash Equivalents	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Investment Grade Credit	10.00%	4.25%	10.00%	3.78%
High Yield	2.00%	5.37%	2.50%	6.82%
Private Credit	6.00%	7.92%		
Global Diversified Credit			5.00%	7.10%
Credit Oriented Hedge Funds			1.00%	6.60%
Debt Related Private Equity			2.00%	10.63%
Debt Related Real Estate			1.00%	6.61%
Real Assets	2.50%	9.31%	2.50%	11.83%
Real Estate	7.50%	8.33%	6.25%	9.23%
U.S. Equity	28.00%	8.26%	30.00%	8.19%
Non-U.S. Developed Markets Equity	12.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.37%	6.50%	11.64%
Buyouts/Venture Capital			8.25%	13.08%
Private Equity	12.00%	10.85%		
	100.00%		100.00%	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2019 was 6.28%. The single blended discount rate as based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, 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 pension plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current pension plan members through 2057. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Pension Plans (Cont'd)

Actuarial Assumptions – PERS (Cont'd)

Discount Rate (Cont'd) - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66%. The respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, 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 rates assumed that contributions from pension plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current pension plan members through 2046; therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Sensitivity of Authority's Proportionate Share of Net Pension Liability to Changes in the Discount Rate – PERS

The following presents the Authority's proportionate share of the net pension liability at June 30, 2019, the pension plan's measurement date, calculated using a discount rate of 6.28%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	June 30, 2020		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Authority's Proportionate Share of the Net Pension Liability	$ 6,692,376.00	$ 5,298,112.00	$ 4,123,247.00

The following presents the Authority's proportionate share of the net pension liability at June 30, 2018, the pension plan's measurement date, calculated using a discount rate of 5.66%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	June 30, 2019		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Authority's Proportionate Share of the Net Pension Liability	$ 8,197,894.00	$ 6,519,797.00	$ 5,111,981.00

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

Pension Plan Fiduciary Net Position - PERS

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. For additional information about PERS, please refer to the pension plan's Comprehensive Annual Financial Report (CAFR) which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

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

General Information about the OPEB 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) Comprehensive Annual Financial Report (CAFR), which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

The Plan provides medical and prescription drug coverage 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.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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 OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd) - Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

The Authority was billed monthly by the Plan and for the fiscal years ended June 30, 2020 and 2019, the Authority paid $102,735.42 and $130,991.85, respectively. These amounts represent 4.42% and 6.03% of the Authority's covered payroll. During the fiscal years ended June 30, 2020 and 2019, retirees were not required to contribute to the Plan.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The Authority does not have a Special Funding Situation within the Plan.

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

OPEB Liability - At June 30, 2020, the Authority's proportionate share of the net OPEB liability was $5,329,702.00. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The Authority's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the Authority's proportion was .039345% which was a decrease of .002176% from its proportion measured as of the June 30, 2018 measurement date.

At January 31, 2019, the Authority's proportionate share of the net OPEB liability was $6,504,937.00. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The Authority's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the Authority's proportion was .000417% which was a decrease of .041521% from its proportion measured as of the June 30, 2017 measurement date.

OPEB (Benefit) Expense – At June 30, 2020, the Authority's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is $(213,557.00). As previously mentioned, for the fiscal year ended June 30, 2020, the Authority made contributions to the Plan totaling $102,735.42.

At June 30, 2019, the Authority's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2018 measurement date is $150,954.00. As previously mentioned, for the fiscal year ended June 30, 2019, the Authority made contributions to the Plan totaling $130,991.88.

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 June 31, 2020 and 2019, the Authority had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	June 30, 2020		June 30, 2019	
	Measurement Date June 30, 2019		Measurement Date June 30, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ -	$ 1,558,613.00	$ -	$ 1,320,734.00
Changes of Assumptions	-	1,888,728.00	-	1,650,062.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	4,390.00	-	3,438.00	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	-	962,693.00	-	630,159.00
Authority Contributions Subsequent to the Measurement Date	102,735.42	-	-	-
	$ 107,125.42	$ 4,410,034.00	$ 3,438.00	$ 3,600,955.00

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 (Cont'd)

The Authority will amortize the other deferred outflow 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
Differences between Expected and Actual Experience		
June 30, 2017	-	-
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05

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

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

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

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

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

Fiscal Year Ending Jun. 30,	
2021	$ (724,628.00)
2022	(724,628.00)
2023	(724,972.00)
2024	(725,528.00)
2025	(726,036.00)
Thereafter	(779,852.00)
	$ (4,405,644.00)

Actuarial Assumptions

The actuarial valuation at June 30, 2019 and 2018 used the following actuarial assumptions, applied to all periods in the measurement:

	Measurement Date June 30, 2019	Measurement Date June 30, 2018
Inflation Rate	2.50%	2.50%
Salary Increases *		
PERS:		
Initial Fiscal Year Applied:		
Rate Through 2026	2.00% to 6.00%	1.65% to 8.98%
Rate Thereafter	3.00% to 7.00%	2.65% to 9.98%

* The June 30, 2019 assumptions for salaries were based on years of service, and the June 30, 2018 assumptions for salaries were based on the defined benefit plan that the member is enrolled in and his or her age.

For the June 30, 2019 measurement date, mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2019.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PERS experience study prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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)

For the June 30, 2018 measurement date, Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Actuarial assumptions used in the July 1, 2017 valuation were based on the results of the PERS experience study prepared for July 1, 2011 to June 30, 2014.

100% of active members in both the June 30, 2019 and June 30, 2018 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 ("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 pays interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2019 and 2018 were 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For the June 30, 2019 measurement date, the trend rate for pre-Medicare medical benefits is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

For the June 30, 2018 measurement date, the trend rate for pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

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

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

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

The net OPEB liability as of June 30, 2019, the plans measurement date, for the Authority calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	June 30, 2020		
	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Authority's Proportionate Share of the Net OPEB Liability	$ 6,162,491.00	$ 5,329,702.00	$ 4,652,951.00

The net OPEB liability as of June 30, 2018, the plans measurement date, for the Authority calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	June 30, 2019		
	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Authority's Proportionate Share of the Net OPEB Liability	$ 7,632,011.00	$ 6,504,937.00	$ 5,604,660.00

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

The Authority's proportionate share of the net OPEB liability as of June 30, 2019, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Authority's Proportionate Share of the Net OPEB Liability	$ 4,497,612.00	$ 5,329,702.00	$ 6,391,173.00

The Authority's proportionate share of the net OPEB liability as of June 30, 2018, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Authority's Proportionate Share of the Net OPEB Liability	$ 5,426,160.00	$ 6,504,937.00	$ 7,901,034.00

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

Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The Authority has established a postemployment benefit plan to assist retirees in paying for medical coverage. The plan provides for family dental and vision, a life insurance policy, and reimbursement of Medicare part B premium, if eligible. No assets are accumulated in a trust. In accordance with GASB Statement 75, this plan is considered a Single Employer, Defined Benefit OPEB Plan that is not administered through a Trust that meets the criteria in paragraph 4 of GASB Statement 75.

Employees Covered by Benefit Terms

At June 30, 2020 and 2019, the following employees were covered by the benefit terms:

	June 30, 2020	June 30, 2019
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	10	10
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-	-
Active Employees	35	33
	45	43

Contributions

Employees are not required to contribute to the plan.

Total OPEB Liability

The Authority's total OPEB liability of $1,229,729.00 as of June 30, 2020 and $1,541,281.00 as of June 30, 2019 was measured as of June 30, 2020. The liabilities were determined by an actuarial valuation as of June 30, 2020 with the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020.

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

Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan (Cont'd)

Actuarial Assumptions and Other Inputs

The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% Annually
Discount Rate	2.66%
Healthcare Cost Trend Rates	
Medical (Pre-65)	5.00%
Medical (Post-65)	5.00%
Retirees' Share of Benefit-Related Costs	Pursuant to Chapter 78

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on RP-2014 White Collar Mortality Table for males and females, as appropriate.

Termination rates were based on U.S. Office of Personnel Management Federal Employees Retirement System.

An experience study was not performed on the actuarial assumptions used in the June 30, 2017 valuation since the plan had insufficient data to produce a study with credible results. Mortality rates and termination rates were based on standard tables either issued by the SOA or developed for the applicable grade of employee. The actuary has used his/her professional judgement in applying these assumptions to this plan.

Changes in the Total OPEB Liability

The following table shows the changes in the total OPEB liability for the years ended June 30, 2020 and 2019, respectively:

	June 30, 2020		June 30, 2019	
Balance at Beginning of Year		$ 1,541,281.00		$ 1,154,156.00
Changes for the Year:				
Service Cost	53,621.00		35,111.00	
Interest Cost	35,129.00		26,264.00	
Benefit Payments	(329,571.00)		(14,506.00)	
Changes of Assumptions	(70,731.00)		340,256.00	
Differences Between Expected and Actual Demographic Experience	-		-	
Net Changes		(311,552.00)		387,125.00
Balance at End of Year		$ 1,229,729.00		$ 1,541,281.00

In the fiscal year ending June 30, 2020, the discount rate changed from 2.29% to 2.66% and Mortality rates were updated using the RP 2014 White Collar Table projected with scale MP18.

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

Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan (Cont'd)

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

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

	June 30, 2020		
	1.00% Decrease (1.66%)	Current Discount Rate (2.66%)	1.00% Increase (3.66%)
Total OPEB Liability	$1,531,164.00	$1,229,729.00	$1,001,765.00

	June 30, 2019		
	1.00% Decrease (1.29%)	Current Discount Rate (2.29%)	1.00% Increase (3.29%)
Total OPEB Liability	$1,407,948.00	$1,541,281.00	$ 937,515.00

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

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	June 30, 2020		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	$ 982,819.00	$ 1,229,729.00	$ 1,564,349.00

	June 30, 2019		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	$ 1,266,612.00	$ 1,541,281.00	$ 1,922,947.00

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

Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan (Cont'd)

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal years ended June 30, 2020 and 2019, the Authority recognized OPEB expense of $133,124.00 and $111,643.00. At June 30, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2020		June 30, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 443,283.00	$ -	$ 552,103.00	$ -
Differences Between Expected and Actual Demographic Experience	69,137.00	-	75,422.00	-
	$ 512,420.00	$ -	$ 627,525.00	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

Fiscal Year Ending June 30,	
2021	$ 44,374.00
2022	44,375.00
2023	44,374.00
2024	44,375.00
2025	44,374.00
Thereafter	290,548.00
	$ 512,420.00

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

Postemployment Benefits Other Than Pensions (OPEB) – Summary of State and Authority Plans

At June 30, 2020, the Authority reported deferred outflows of resources, net OPEB liability and deferred inflows of resources related to OPEB from the following sources:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Deferred Outflows of Resources - Related to OPEB				
State Plan	$ 3,438.00	$ 104,402.41	$ (714.99)	$ 107,125.42
Authority Plan	627,525.00	-	(115,105.00)	512,420.00
Total Deferred Outflows of Resources - Related to OPEB	$ 630,963.00	$ 104,402.41	$ (115,819.99)	$ 619,545.42
Net OPEB Liability				
State Plan	$ 6,504,937.00	$ 3,391,788.56	$ (4,567,023.56)	$ 5,329,702.00
Authority Plan	1,541,281.00	18,019.00	(329,571.00)	1,229,729.00
Total Net OPEB Liability	$ 8,046,218.00	$ 3,409,807.56	$ (4,896,594.56)	$ 6,559,431.00
Deferred Inflows of Resources - Related to OPEB				
State Plan	$ 3,600,955.00	$ 1,534,421.99	$ (725,342.99)	$ 4,410,034.00
Authority Plan	-	-	-	-
Total Deferred Inflows of Resources - Related to OPEB	$ 3,600,955.00	$ 1,534,421.99	$ (725,342.99)	$ 4,410,034.00

At June 30, 2019, the Authority reported deferred outflows of resources, net OPEB liability and deferred inflows of resources related to OPEB from the following sources:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
Deferred Outflows of Resources - Related to OPEB				
State Plan	$ 1,467.00	$ 2,475.82	$ (504.82)	$ 3,438.00
Authority Plan	337,537.00	340,256.00	(50,268.00)	627,525.00
Total Deferred Outflows of Resources - Related to OPEB	$ 339,004.00	$ 342,731.82	$ (50,772.82)	$ 630,963.00
Net OPEB Liability				
State Plan	$ 8,561,973.00	$ 1,742,504.02	$ (3,799,540.02)	$ 6,504,937.00
Authority Plan	1,154,156.00	401,631.00	(14,506.00)	1,541,281.00
Total Net OPEB Liability	$ 9,716,129.00	$ 2,144,135.02	$ (3,814,046.02)	$ 8,046,218.00
Deferred Inflows of Resources - Related to OPEB				
State Plan	$ 1,588,112.00	$ 2,551,279.82	$ (538,436.82)	$ 3,600,955.00
Authority Plan	-	-	-	-
Total Deferred Inflows of Resources - Related to OPEB	$ 1,588,112.00	$ 2,551,279.82	$ (538,436.82)	$ 3,600,955.00

Note 6: DETAIL NOTES – DEFERRED INFLOWS OF RESOURCES

Unearned Revenue

The Authority received developer assessment fees for ongoing construction projects. These fees are recorded as unearned revenues until the Authority provides the services associated with recognizing the funds as revenue.

Note 7: INTERGOVERNMENTAL AGREEMENTS

Township of Monroe Service Agreement

A Service Agreement was entered into on June 10, 1960 between the Authority and the Township. Under the Service Agreement, the Township 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 Township to be reimbursed for any Annual Charges paid by the Township when the Authority's operations permit. Ultimately, all Operating Expenses and Debt Service of the Authority are borne by revenues of the system.

Note 8: COMMITMENTS

The Authority had several outstanding or planned construction projects as of June 30, 2020. These projects are evidenced by contractual commitments with contractors and include:

Project	Awarded	Commitment Remaining
Renewal and Replacement Fund:		
Kimberly West Pump Station	$ 51,948.20	$ 33,468.00
Construction Fund:		
Well 14 Rehabilitation	112,800.00	16,400.21
	$ 164,748.20	$ 49,868.21

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: RISK MANAGEMENT

The Authority is a member of New Jersey Utility Authorities Joint Insurance Fund. The Fund provides the Authority with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Contributions to the Fund, including a reserve for contingencies are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations. The Authority's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial insurance for claims in excess of $500,000.00 for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2020, which can be obtained from:

New Jersey Utilities Authority Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, New Jersey 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: SUBSEQUENT EVENTS

The management of the Authority has evaluated its financial statements for subsequent events through the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the Authority. While the impact that COVID-19 will have is currently expected to be temporary, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

REQUIRED SUPPLEMENTARY INFORMATION

MONROE MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of Changes in the Authority's Total
OPEB Liability and Related Ratios - Authority Plan
Last Three Fiscal Years

Total OPEB Liability	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**
Service Cost	$ 53,621.00	$ 35,111.00	$ 19,026.00
Interest Cost	35,129.00	26,264.00	-
Benefit Payments	(329,571.00)	(14,506.00)	(14,506.00)
Actuarial Assumption Changes	(70,731.00)	340,256.00	275,509.00
Actuarial Demographic Gains	-	-	87,992.00
Net Change in Total OPEB Liability	(311,552.00)	387,125.00	368,021.00
Total OPEB Liability - Beginning of Fiscal Year	1,541,281.00	1,154,156.00	786,135.00
Total OPEB Liability - End of Fiscal Year	$ 1,229,729.00	$ 1,541,281.00	$ 1,154,156.00
Covered Employee Payroll	$ 2,324,123.00	$ 2,171,998.00	$ 2,249,337.00
Total OPEB Liability as a Percentage of Covered Employee Payroll	52.91%	70.96%	51.31%

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.

MONROE MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's Proportionate Share
of the Net OPEB Liability - State Plan
Last Four Plan Years

	Measurement Date Ended June 30,		
	2019	**2018**	**2017**
Authority's Proportion of the Net OPEB Liability	0.039345%	0.041521%	0.041938%
Authority's Proportionate Share of the Net OPEB Liability	$ 5,329,702.00	$ 6,504,937.00	$ 8,561,973.00
Authority's Covered Payroll (Plan Measurement Period)	$ 2,171,998.00	$ 2,249,337.00	$ 2,284,658.00
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	245.38%	289.19%	374.76%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

	Measurement Date Ended June 30,
	2016
Authority's Proportion of the Net OPEB Liability	0.045292%
Authority's Proportionate Share of the Net OPEB Liability	$ 9,836,274.00
Authority's Covered Payroll (Plan Measurement Period)	$ 2,325,307.00
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	423.01%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.69%

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.

MONROE MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's OPEB Contributions
Last Four Fiscal Years

	Fiscal Year Ended June 30,		
	2020	**2019**	**2018**
Authority's Required Contributions	$ 102,735.42	$ 130,991.88	$ 164,913.31
Authority's Contributions in Relation to the Required Contribution	(102,735.42)	(130,991.88)	(164,913.31)
Authority's Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 2,324,123.00	$ 2,171,998.00	$ 2,249,337.00
Authority's Contributions as a Percentage of Covered Payroll	4.42%	6.03%	7.33%

	Fiscal Year Ended June 30,
	2017
Authority's Required Contributions	$ 156,757.19
Authority's Contributions in Relation to the Required Contribution	(156,757.19)
Authority's Contribution Deficiency (Excess)	$ -
Authority's Covered Payroll (Fiscal Year)	$ 2,284,658.00
Authority's Contributions as a Percentage of Covered Payroll	6.86%

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.

MONROE MUNICIPAL UTILITIES AUTHORITY

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net Pension Liability

Public Employees' Retirement System (PERS)

Last Seven Plan Years

	Measurement Date Ending June 30,		
	2019	**2018**	**2017**
Authority's Proportion of the Net Pension Liability	0.0294037629%	0.0331130635%	0.0334252237%
Authority's Proportionate Share of the Net Pension Liability	$ 5,298,112.00	$ 6,519,797.00	$ 7,780,858.00
Authority's Covered Payroll (Plan Measurement Period)	$ 2,136,176.00	$ 2,325,380.00	$ 2,315,692.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	248.02%	280.38%	336.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%

	Measurement Date Ending June 30,		
	2016	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.0319863315%	0.0318121301%	0.0296834402%
Authority's Proportionate Share of the Net Pension Liability	$ 9,473,434.00	$ 7,141,186.00	$ 5,557,552.00
Authority's Covered Payroll (Plan Measurement Period)	$ 2,186,344.00	$ 2,194,428.00	$ 2,048,656.00
Authority's Proportionate Share of the Net Pension	433.30%	325.42%	271.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%

	Measurement Date Ending June 30,
	2013
Authority's Proportion of the Net Pension Liability	0.0309754913%
Authority's Proportionate Share of the Net Pension Liability	$ 5,920,032.00
Authority's Covered Payroll (Plan Measurement Period)	$ 2,136,236.00
Authority's Proportionate Share of the Net Pension	277.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.72%

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

MONROE MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's Contributions
Public Employees' Retirement System (PERS)
Last Seven Fiscal Years

	Fiscal Year Ended June 30,		
	2020	**2019**	**2018**
Contractually Required Contribution	$ 328,728.00	$ 286,014.00	$ 329,368.00
Contributions in Relation to the Contractually Required Contribution	(328,728.00)	(286,014.00)	(329,368.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 2,324,123.00	$ 2,171,998.00	$ 2,249,337.00
Contributions as a Percentage of Authority's Covered Payroll	14.14%	13.17%	14.64%

	Fiscal Year Ended June 30,		
	2017	**2016**	**2015**
Contractually Required Contribution	$ 309,649.00	$ 284,162.00	$ 273,499.00
Contributions in Relation to the Contractually Required Contribution	(309,649.00)	(284,162.00)	(273,499.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 2,284,658.00	$ 2,325,307.00	$ 2,145,734.00
Contributions as a Percentage of Authority's Covered Payroll	13.55%	12.22%	12.75%

	Fiscal Year Ended June 30,
	2014
Contractually Required Contribution	$ 244,706.00
Contributions in Relation to the Contractually Required Contribution	(244,706.00)
Contribution Deficiency (Excess)	$ -
Authority's Covered Payroll (Fiscal Year)	$ 2,163,625.00
Contributions as a Percentage of Authority's Covered Payroll	11.31%

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.

MONROE MUNICIPAL UTILITIES AUTHORITY
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Note 1: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

Changes in Benefit Terms

In 2019, there were slight changes to the Chapter 48 provisions.

Changes in Assumptions

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS and July 1, 2014 - June 30, 2018 PERS experience studies. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used. For mortality related to PERS members and retirees, the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

In 2017, the discount rate changed to 3.58% from 2.85%.

Note 2: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - PRIVATE PLAN

Changes in Benefit Terms

None

Changes in Assumptions

In 2020, the discount rate changed to 2.66% and Mortality rates were updated using the RP 2014 White Collar Table projected with scale MP18. In 2019, the discount rate changed to 2.29%. In 2018, the discount rate changed to 3.57% and Mortality rates were updated using the RP-2000 Combined Mortality Table.

Note 3: POSTEMPLOYMENT BENEFITS - PENSION

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None

MONROE MUNICIPAL UTILITIES AUTHORITY
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Note 3: POSTEMPLOYMENT BENEFITS - PENSION (CONT"D)

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

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 experience study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 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 was used. For healthy retirees and beneficiaries, 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 was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at $118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at $265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

SUPPLEMENTARY SCHEDULES

MONROE MUNICIPAL UTILITIES AUTHORITY
Combining Schedule of Revenue, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

		Restricted				
	Unrestricted	Debt Service	Debt Service Reserve	Renewal and Replacement	Construction	Total
Operating Revenues:						
Service Charges	$ 12,105,778.39					$ 12,105,778.39
Connection Fees	706,787.96					706,787.96
Other Operating Revenues	226,562.20					226,562.20
Total Operating Revenues	13,039,128.55	-	-	-	-	13,039,128.55
Operating Expenses:						
Administration:						
Salaries and Wages	670,786.22					670,786.22
Fringe Benefits	113,282.96					113,282.96
Other Expenses	632,904.35					632,904.35
Cost of Providing Services:						
Salaries and Wages	2,032,164.56					2,032,164.56
Fringe Benefits	491,448.07					491,448.07
Other Expenses	5,059,892.44					5,059,892.44
Depreciation					$ 1,574,436.95	1,574,436.95
Total Operating Expenses	9,000,478.60	-	-	-	1,574,436.95	10,574,915.55
Operating Income (Loss)	4,038,649.95	-	-	-	(1,574,436.95)	2,464,213.00
Non-operating Revenue (Expenses):						
Investment Income	49,833.63					49,833.63
Interest Expense		$ (373,947.52)			58,433.28	(315,514.24)
Major Repairs and Other Expenses				$ (201,068.78)		(201,068.78)
Bond Issue Costs					(131,167.20)	(131,167.20)
Net Income (Loss) Before Transfers and Capital Contributions	4,088,483.58	(373,947.52)	-	(201,068.78)	(1,647,170.87)	1,866,296.41
Transfers Between Funds	(9,385,867.37)	346,349.15	$ (565,362.50)	6,974,619.85	2,630,260.87	
Increase (Decrease) in Net Position	(5,297,383.79)	(27,598.37)	(565,362.50)	6,773,551.07	983,090.00	1,866,296.41
Net Position July 1	(12,565,055.89)	1,805,002.26	2,304,318.75	2,389,634.76	23,710,574.80	17,644,474.68
Net Position June 30:						
Net Investment in Capital Assets				440,734.72	$ 24,693,664.80	25,134,399.52
Restricted	$ 1,802,415.17		1,729,368.75	2,000,000.00		5,531,783.92
Unrestricted (Deficit)	(19,664,854.85)	$ 1,777,403.89	$ 9,587.50	$ 6,722,451.11		$ (11,155,412.35)

MONROE MUNICIPAL UTILITIES AUTHORITY
Schedule of Sewer Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget--Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	2019-20 Actual	Favorable (Unfavorable)
Anticipated Revenues:					
Operating Revenues:					
Service Charges	$ 6,720,900.00		$ 6,720,900.00	$ 6,849,540.56	$ 128,640.56
Connection Fees	139,500.00		139,500.00	345,966.10	206,466.10
Other Operating Revenues:					
Application Fees	2,100.00		2,100.00	1,300.00	(800.00)
Search Fees	100.00		100.00	77.43	(22.57)
Sewer Loan Principal	1,300.00		1,300.00	1,879.60	579.60
Sewer Loan Interest	600.00		600.00	189.31	(410.69)
Other	16,500.00		16,500.00	9,322.96	(7,177.04)
Total Operating Revenues	6,881,000.00	-	6,881,000.00	7,208,275.96	327,275.96
Non-Operating Revenues:					
Investment Income	15,300.00		15,300.00	18,557.37	3,257.37
Total Anticipated Revenues	6,896,300.00	-	6,896,300.00	7,226,833.33	330,533.33
Operating Appropriations:					
Administration					
Salaries and Wages:					
Authority Members	2,375.00		2,375.00	2,375.00	
Office Administration	339,500.00		339,500.00	338,652.13	847.87
Total Salaries and Wages	341,875.00	-	341,875.00	341,027.13	847.87
Fringe Benefits:					
Pension	43,978.00		43,978.00	35,874.25	8,103.75
Social Security	21,264.00		21,264.00	19,824.91	1,439.09
Medicare	5,074.00		5,074.00	4,653.55	420.45
Unemployment Insurance	1,450.00		1,450.00	2,007.96	(557.96)
Health Insurance	126,244.00		126,244.00	116,637.48	9,606.52
Total Fringe Benefits	198,010.00	-	198,010.00	178,998.15	19,011.85
Other Expenses:					
Insurance	70,000.00	$ 550.00	70,550.00	70,531.50	18.50
Advertising	1,500.00		1,500.00	594.50	905.50
Computer Expense	40,000.00		40,000.00	38,119.15	1,880.85
Dues and Subscriptions	2,500.00	20.00	2,520.00	2,515.50	4.50
Office Maintenance Contracts	9,100.00	(20.00)	9,080.00	8,101.87	978.13
Postage	31,000.00		31,000.00	27,956.88	3,043.12
Office Supplies	28,250.00		28,250.00	24,418.48	3,831.53
Training and Seminars	5,000.00		5,000.00	1,800.00	3,200.00
Auditor	27,500.00	(550.00)	26,950.00	25,000.00	1,950.00
Accounting Fees	25,000.00		25,000.00	22,380.60	2,619.40
Bond Counsel		2,500.00	2,500.00		2,500.00
Engineer Fees	99,800.00		99,800.00	57,628.99	42,171.01
Solicitor	37,500.00	(2,500.00)	35,000.00	29,362.21	5,637.79
Litigation	15,500.00		15,500.00	297.50	15,202.50
Trustee Fees	7,200.00		7,200.00	3,300.00	3,900.00
Miscellaneous	2,500.00		2,500.00	1,143.51	1,356.50
Total Other Expenses	402,350.00	-	402,350.00	313,150.68	89,199.32
Total Administration	942,235.00	-	942,235.00	833,175.96	109,059.04
Cost of Providing Services:					
Salaries and Wages:					
Plant Salaries	1,065,500.00		1,065,500.00	1,010,450.04	55,049.96
Total Salaries and Wages	1,065,500.00	-	1,065,500.00	1,010,450.04	55,049.96

(Continued)

MONROE MUNICIPAL UTILITIES AUTHORITY
Schedule of Sewer Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget--Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	2019-20 Actual	Favorable (Unfavorable)
Operating Appropriations (Cont'd):					
Cost of Providing Services (Cont'd):					
Fringe Benefits:					
Pension	$ 138,022.00		$ 138,022.00	$ 107,622.75	$ 30,399.25
Social Security	66,736.00		66,736.00	59,474.74	7,261.26
Medicare	15,926.00		15,926.00	13,960.66	1,965.34
Unemployment Insurance	4,550.00		4,550.00	3,454.24	1,095.76
Health Insurance	396,207.00		396,207.00	349,912.43	46,294.57
Total Fringe Benefits	621,441.00	-	621,441.00	534,424.82	87,016.19
Other Expenses:					
Utilities	396,900.00	$ (1,500.00)	395,400.00	360,258.62	35,141.38
Chemicals	150,000.00		150,000.00	34,494.39	115,505.61
Sewerage Treatment Costs	2,803,000.00		2,803,000.00	2,758,462.44	44,537.56
Repairs and Maintenance	100,000.00		100,000.00	61,167.40	38,832.60
Paging Expenses	2,600.00	1,500.00	4,100.00	4,015.56	84.44
Vehicle Expenses	42,000.00		42,000.00	37,711.73	4,288.27
Alarm Monitoring Expenses	18,000.00		18,000.00	13,783.96	4,216.04
Operations Equipment and Materials	102,000.00	(1,900.00)	100,100.00	84,291.81	15,808.19
Uniforms	10,800.00	900.00	11,700.00	11,646.80	53.20
Safety Compliance	10,000.00	1,000.00	11,000.00	10,966.25	33.75
Buildings and Grounds	12,000.00		12,000.00	5,695.91	6,304.09
Generator Repairs	15,000.00		15,000.00	8,968.66	6,031.34
Total Other Expenses	3,662,300.00	-	3,662,300.00	3,391,463.53	270,836.47
Total Cost of Providing Services	5,349,241.00	-	5,349,241.00	4,936,338.39	412,902.62
Principal Payments on Debt Service in Lieu of Depreciation	409,500.00	-	409,500.00	409,500.00	-
Non-Operating Appropriations:					
Interest on Bonds	116,474.00		116,474.00	108,541.11	7,932.89
Renewal & Replacement Reserve	78,850.00		78,850.00		78,850.00
Total Non-Operating Appropriations	195,324.00	-	195,324.00	108,541.11	86,782.89
Total Budget Appropriations	6,896,300.00	-	6,896,300.00	6,287,555.46	608,744.55
Excess Budgetary Revenues Over Budgetary Appropriations	$ -	$ -	$ -	$ 939,277.87	$ 939,277.87

MONROE MUNICIPAL UTILITIES AUTHORITY
Schedule of Water Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget--Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	2019-20 Actual	Favorable (Unfavorable)
Anticipated Revenues:					
Operating Revenues:					
Service Charges	$ 5,554,300.00		$ 5,554,300.00	$ 5,256,237.83	$ (298,062.17)
Connection Fees	148,500.00		148,500.00	360,821.86	212,321.86
Other Operating Revenues:					
Application Fees	2,100.00		2,100.00	1,500.00	(600.00)
Hydrant Rentals	72,300.00		72,300.00	57,308.98	(14,991.02)
Search Fees	100.00		100.00	153.82	53.82
Sprinkler Systems	31,400.00		31,400.00	25,193.33	(6,206.67)
Meters and Yolks	37,600.00		37,600.00	55,548.23	17,948.23
Water Loan Principal	3,300.00		3,300.00	2,716.59	(583.41)
Water Loan Interest	800.00		800.00	8,808.93	8,008.93
Other	17,100.00		17,100.00	62,563.02	45,463.02
Total Operating Revenues	5,867,500.00	-	5,867,500.00	5,830,852.59	(36,647.41)
Non-Operating Revenues:					
Investment Income	29,300.00		29,300.00	31,276.26	1,976.26
Total Anticipated Revenues	5,896,800.00	-	5,896,800.00	5,862,128.85	(34,671.15)
Operating Appropriations:					
Administration					
Salaries and Wages:					
Authority Members	2,375.00		2,375.00	2,375.00	
Office Administration	339,500.00		339,500.00	327,384.09	12,115.91
Total Salaries and Wages	341,875.00	-	341,875.00	329,759.09	12,115.91
Fringe Benefits:					
Pension	43,978.00		43,978.00	35,874.25	8,103.75
Social Security	21,264.00		21,264.00	19,485.13	1,778.88
Medicare	5,074.00		5,074.00	4,575.34	498.66
Unemployment Insurance	1,450.00		1,450.00	1,978.10	(528.10)
Health Insurance	122,192.00		122,192.00	107,479.73	14,712.27
Total Fringe Benefits	193,958.00	-	193,958.00	169,392.54	24,565.46
Other Expenses:					
Insurance	70,000.00	$ 1,000.00	71,000.00	70,639.00	361.00
Advertising	1,500.00	(200.00)	1,300.00	594.50	705.50
Computer Expense	40,000.00	200.00	40,200.00	40,112.19	87.81
Dues and Subscriptions	2,500.00	50.00	2,550.00	2,515.50	34.50
Office Maintenance Contracts	9,100.00	(50.00)	9,050.00	8,078.07	971.93
Postage	31,000.00		31,000.00	26,789.39	4,210.61
Office Supplies	28,250.00		28,250.00	23,988.04	4,261.97
Training and Seminars	5,000.00	(1,000.00)	4,000.00	1,800.00	2,200.00
Auditor	27,500.00		27,500.00	25,000.00	2,500.00
Accounting Fees	25,000.00		25,000.00	21,428.10	3,571.90
Bond Counsel		2,500.00	2,500.00		2,500.00
Engineer Fees	75,000.00		75,000.00	60,564.01	14,435.99
Solicitor	37,500.00	(2,500.00)	35,000.00	26,775.86	8,224.14
Litigation	15,500.00		15,500.00	2,625.49	12,874.51
Trustee Fees	14,900.00		14,900.00	7,700.00	7,200.00
Miscellaneous	2,500.00		2,500.00	1,143.53	1,356.48
Total Other Expenses	385,250.00	-	385,250.00	319,753.67	65,496.33
Total Administration	921,083.00	-	921,083.00	818,905.30	102,177.70
Cost of Providing Services:					
Salaries and Wages:					
Plant Salaries	1,065,500.00		1,065,500.00	1,021,714.52	43,785.48
Total Salaries and Wages	1,065,500.00	-	1,065,500.00	1,021,714.52	43,785.48

(Continued)

MONROE MUNICIPAL UTILITIES AUTHORITY
Schedule of Water Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget--Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	2019-20 Actual	Favorable (Unfavorable)
Operating Appropriations (Cont'd):					
Cost of Providing Services (Cont'd):					
Fringe Benefits:					
Pension	$ 138,022.00		$ 138,022.00	$ 107,622.75	$ 30,399.25
Social Security	66,736.00		66,736.00	58,455.38	8,280.63
Medicare	15,926.00		15,926.00	13,726.02	2,199.98
Unemployment Insurance	4,550.00		4,550.00	3,364.62	1,185.38
Health Insurance	400,259.00		400,259.00	322,439.18	77,819.82
Total Fringe Benefits	625,493.00	-	625,493.00	505,607.95	119,885.05
Other Expenses:					
Utilities	494,500.00	$ (9,750.00)	484,750.00	441,816.91	42,933.09
Chemicals	69,000.00		69,000.00	58,590.28	10,409.72
Repairs and Maintenance	88,000.00	3,716.00	91,716.00	79,787.95	11,928.05
Laboratory Fees	45,000.00	(7,000.00)	38,000.00	25,621.63	12,378.37
Meters and Yolks	200,000.00		200,000.00	199,259.48	740.52
State Water Tax and Allocation Assessment	8,000.00		8,000.00	5,186.23	2,813.77
Water Purchases	625,000.00		625,000.00	620,703.13	4,296.87
Paging Expenses	2,600.00	1,500.00	4,100.00	4,015.56	84.44
Vehicle Expenses	28,000.00		28,000.00	25,184.29	2,815.71
Alarm Monitoring Expenses	12,000.00		12,000.00	10,471.78	1,528.22
Operations Equipment and Materials	57,000.00	9,100.00	66,100.00	66,298.04	(198.04)
Uniforms	7,200.00	1,565.00	8,765.00	8,764.87	0.13
Safety Compliance	10,000.00	780.00	10,780.00	10,778.81	1.19
SCADA Program	30,725.00		30,725.00	21,682.78	9,042.22
Buildings and Grounds	8,000.00	(1,000.00)	7,000.00	4,510.39	2,489.61
Generator Repairs	10,000.00		10,000.00	8,314.78	1,685.22
Well Repairs	50,000.00	1,089.00	51,089.00	51,088.76	0.24
Total Other Expenses	1,745,025.00	-	1,745,025.00	1,642,075.67	102,949.33
Total Cost of Providing Services	3,436,018.00	-	3,436,018.00	3,169,398.13	266,619.87
Principal Payments on Debt Service in Lieu of Depreciation	1,395,500.00	-	1,395,500.00	1,395,500.00	-
Non-Operating Appropriations:					
Interest on Bonds	369,028.00	-	369,028.00	334,252.01	34,775.99
Total Non-Operating Appropriations	369,028.00	-	369,028.00	334,252.01	34,775.99
Total Budget Appropriations	6,121,629.00	-	6,121,629.00	5,718,055.45	403,573.56
Unrestricted Net Position to Balance Budget	(224,829.00)	-	(224,829.00)	-	(224,829.00)
Total Appropriations and Unrestricted Net Position	5,896,800.00	-	5,896,800.00	5,718,055.45	178,744.56
Excess Budgetary Revenues Over Budgetary Appropriations	$ -	$ -	$ -	$ 144,073.41	$ 144,073.41

MONROE MUNICIPAL UTILITIES AUTHORITY
Reconciliation of Budgetary Inflows and Outflows with GAAP Revenues and Expenditures
For the Fiscal Year Ended June 30, 2020

Reconciliation to Operating Income

Excess Budgetary Revenues Over Budgetary Appropriations:		
Sewer Utility - Schedule 2	$ 939,277.87	
Water Utility - Schedule 3	144,073.41	
		$ 1,083,351.28
Add:		
Principal Payments	1,805,000.00	
Interest on Bonds	442,793.12	
Expenditures Capitalized	31,825.50	
		2,279,618.62
		3,362,969.90
Less:		
Investment Income	49,833.63	
Depreciation	1,574,436.95	
GASB 68 Expense (Pension)	(117,402.00)	
GASB 75 Expense (OPEB)	(666,290.42)	
Meter Inventory Adjustment	58,178.74	
		898,756.90
Operating Income - Schedule 1		$ 2,464,213.00

MONROE MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue Bonds Payable
For the Fiscal Year Ended June 30, 2020

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2020 Date	Maturities of Bonds Outstanding June 30, 2020 Amount	Interest Rate	Balance July 1, 2019	Issued	Decreased	Balance June 30, 2020
2004 Revenue Bonds	9/15/04	$ 7,370,000.00				$ 2,815,000.00		$ 2,815,000.00	
2007 Revenue Bonds	9/15/07	7,445,000.00				4,120,000.00		4,120,000.00	
2010A Revenue Bonds	8/29/10	6,550,000.00	7/1/20	$ 460,000.00	5.00%				
			7/1/21	480,000.00	4.00%				
			7/1/22	505,000.00	4.25%				
			7/1/23	525,000.00	4.25%				
			7/1/24	550,000.00	4.50%				
			7/1/25	575,000.00	4.50%	3,535,000.00		440,000.00	$ 3,095,000.00
2010B Refunding Bonds	8/29/10	5,205,000.00	7/1/20	580,000.00	4.00%				
			7/1/21	590,000.00	4.00%	1,730,000.00		560,000.00	1,170,000.00
2019 Refunding Bonds	7/23/19	5,255,000.00	7/1/20	725,000.00	3.00%				
			7/1/21	745,000.00	4.00%				
			7/1/22	780,000.00	4.00%				
			7/1/23	810,000.00	4.00%				
			7/1/24	840,000.00	4.00%				
			7/1/25	430,000.00	4.00%				
			7/1/26	455,000.00	4.00%				
			7/1/27	470,000.00	4.00%		$ 5,255,000.00		5,255,000.00
						$ 12,200,000.00	$ 5,255,000.00	$ 7,935,000.00	9,520,000.00
				Add: Premium on Bonds					440,316.96
									$ 9,960,316.96
				Paid				$ 1,805,000.00	
				Defeased				6,130,000.00	
								$ 7,935,000.00	

MONROE MUNICIPAL UTILITIES AUTHORITY

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

MONROE MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2020

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.

No Current Year Findings

MONROE MUNICIPAL 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*.

Finding No. 2019-001

Condition
The required ratio of Net Revenues to Debt Service was not met for the fiscal year ending June 30, 2019.

Current Status
The condition has been resolved.

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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