MONROE MUNICIPAL UTILITIES AUTHORITY

REPORT OF AUDIT

FOR THE FISCAL YEARS ENDED

JUNE 30, 2022 AND 2021

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

MONROE MUNICIPAL UTILITIES AUTHORITY
Table of Contents

MONROE MUNICIPAL UTILITIES AUTHORITY
Roster of Officials
June 30, 2022

MEMBERS	POSITION
Anthony Neri	Chairman
Robert Simone	Vice-Chairman
Fred Schauer	Secretary
Marvin Dilks, Jr.	Treasurer
Ralph J. Manfredi, Jr.	Assistant Treasurer
Robert Ferguson	Board Member

OTHER OFFICIALS	POSITION
Wendy D. Mahoney	Executive Director, Assistant Secretary
Frank Cossabone	Superintendent
Denise Nevico	Comptroller
Charlene Denneny	Office Manager
Lou Cappelli	Solicitor
James Spratt	Engineer

MONROE MUNICIPAL UTILITIES AUTHORITY

PART 1

FINANCIAL SECTION

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 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, as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2023 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
August 16, 2023

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 the
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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 16, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

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

35200

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
August 16, 2023

Monroe Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2022 and 2021
(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 $3,716,366.26. 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, 2022, realizing a 290% coverage and did meet the required coverage for the fiscal year ending June 30, 2021, realizing a 165% coverage

Key financial highlights for the Authority's fiscal year 2022 were:

- The Authority generated investment income of $4,539.47 during the current fiscal year as compared to $9,391.47 in fiscal year 2021.
- Operating revenues for fiscal year 2022 were $14,660,925.88 as compared to $13,762,331.53 for fiscal year 2021.
- Operating expenses for fiscal year 2022 were $10,514,998.23 as compared to $11,050,883.97 for fiscal year 2021.
- Operating income for fiscal year 2022 was $4,145,927.65 as compared to $2,711,447.56 for fiscal year 2021.
- Change in Net Position for fiscal year 2022 was an increase of $3,716,366.26 as compared to an increase of $2,351,463.11 for fiscal year 2021.
- At year-end, total Net Position was $25,578,600.46 as compared to $21,862,234.20 for fiscal year 2021.

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

Monroe Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2022 and 2021
(Unaudited)

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

The Authority's total net position was $25,578,600.46 as of June 30, 2022 as shown below:

MONROE MUNICIPAL UTILITIES AUTHORITY
Statements of Net Position
As of June 30, 2022, 2021, and 2020

	2022	2021	2020	Change from 2021 to 2022 Amount	Percentage
Unrestricted Assets	$ 9,052,287.29	$ 8,063,105.50	$ 6,940,378.48	$ 989,181.79	12.27%
Restricted Assets	7,904,655.46	6,236,888.29	5,844,255.10	1,667,767.17	26.74%
Capital Assets	32,672,500.44	33,891,291.27	35,106,022.30	(1,218,790.83)	-3.60%
	49,629,443.19	48,191,285.06	47,890,655.88	1,438,158.13	2.98%
Deferred Outflows of Resources	5,649,730.95	3,901,062.08	1,814,352.06	1,748,668.87	44.83%
Current Liabilities	2,994,471.48	3,199,655.21	2,985,288.06	(205,183.73)	-6.41%
Long Term Liabilities	19,955,359.20	20,386,157.73	20,111,712.79	(430,798.53)	-2.11%
	22,949,830.68	23,585,812.94	23,097,000.85	(635,982.26)	-2.70%
Deferred Inflows of Resources	6,750,743.00	6,644,300.00	7,097,236.00	106,443.00	1.60%
Net Position					
Net Investment in Capital Assets	26,446,471.22	25,725,405.22	25,134,399.52	721,066.00	2.80%
Restricted	4,840,293.75	5,449,967.42	5,531,783.92	(609,673.67)	-11.19%
Unrestricted	(5,708,164.51)	(9,313,138.44)	(11,155,412.35)	3,604,973.93	-38.71%
	$ 25,578,600.46	$ 21,862,234.20	$ 19,510,771.09	$ 3,716,366.26	17.00%

Monroe Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2022 and 2021
(Unaudited)

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

For the current fiscal year, the Authority realized operating income of $4,145,927.65 and net non-operating revenues (expenses) totaling $429,561.39, resulting in a change in net position for the current fiscal year of $3,716,366.26. 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, 2022, 2021, and 2020

	2022	2021	2020	Change from 2021 to 2022 Amount	Change from 2021 to 2022 Percentage
Operating Revenues:					
Service Charges	$ 13,192,600.70	$ 12,671,061.29	$ 12,105,778.39	$ 521,539.41	4.12%
Connection Fees	1,031,352.71	939,012.79	706,787.96	92,339.92	9.83%
Other Operating Revenues	436,972.47	152,257.45	226,562.20	284,715.02	187.00%
Total Operating Revenues	14,660,925.88	13,762,331.53	13,039,128.55	898,594.35	6.53%
Operating Expenses:					
Administration:					
Salaries and Wages	710,857.83	630,562.21	670,786.22	80,295.62	12.73%
Fringe Benefits	215,824.54	229,126.62	113,282.96	(13,302.08)	-5.81%
Other Expenses	650,896.74	754,047.48	632,904.35	(103,150.74)	-13.68%
Total Administration	1,577,579.11	1,613,736.31	1,416,973.53	(36,157.20)	-2.24%
Cost of Providing Services:					
Salaries and Wages	1,647,584.95	1,824,699.66	2,032,164.56	(177,114.71)	-9.71%
Fringe Benefits	436,927.93	755,701.62	491,448.07	(318,773.69)	-42.18%
Other Expenses	5,224,975.27	5,321,032.92	5,059,892.44	(96,057.65)	-1.81%
Total Cost of Providing Services	7,309,488.15	7,901,434.20	7,583,505.07	(591,946.05)	-7.49%
Depreciation	1,627,930.97	1,535,713.46	1,574,436.95	92,217.51	6.00%
Total Operating Expenses	10,514,998.23	11,050,883.97	10,574,915.55	(535,885.74)	-4.85%
Operating Income	4,145,927.65	2,711,447.56	2,464,213.00	1,434,480.09	52.90%
Non-operating Revenue (Expenses)	(429,561.39)	(359,984.45)	(597,916.59)	(69,576.94)	19.33%
Change in Net Position	3,716,366.26	2,351,463.11	1,866,296.41	1,364,903.15	58.04%
Net Position July 1	21,862,234.20	19,510,771.09	17,644,474.68	2,351,463.11	12.05%
Net Position June 30	$ 25,578,600.46	$ 21,862,234.20	$ 19,510,771.09	$ 3,716,366.26	17.00%

Monroe Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2022 and 2021
(Unaudited)

OVERALL ANALYSIS

The Authority's financial position remains strong. The Authority was able to realize the budgeted sewer revenues and its budgeted water revenues for the fiscal year ending June 30, 2022. The Authority was also 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 $1,031,352.71. 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 $3,716,366.26 to $25,578,600.46. 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 2022 projected revenues for the sewer utility were collected and were sufficient to satisfy all fiscal 2022 operating and non-operating expenditures.

The Authority's fiscal 2022 projected revenues for the water utility were collected and were sufficient to satisfy all fiscal 2022 operating and non-operating expenditures.

Actual sewer revenues in the amount of $7,883,619.75 exceeded the adopted budget of $6,869,795.00 by $1,013,824.75, primarily due to additional sewer service charges and connection fees received.

Actual sewer budgetary expenditures of $6,282,302.79 were less than the adopted budget of $6,869,795.00 by $587,492.21. Individual appropriation budget variances are detailed in Schedule 2.

Actual water revenues of $6,781,845.60 exceeded the budgeted water revenues of $5,868,585.00 by $913,260.60, primarily due to water service charges and connection fees received.

Actual water budgetary expenditures of $5,553,878.66 were less than the adopted budget of $5,879,741.00 by $325,862.34. Individual appropriation budget variances are detailed in Schedule 3.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The Authority continues to maintain a proactive maintenance philosophy for its capital facilities. The Authority completed several smaller projects during fiscal year 2022. 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 $409,140.14 in capital assets. The more significant increases were due to major repairs and equipment purchases.

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, 2022 and 2021

	2022	2021
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	$ 8,007,689.34	$ 7,280,168.96
Consumer Accounts Receivable	816,660.52	671,214.72
Other Receivables	14,750.00	-
Inventory	89,975.65	15,078.82
Prepaid Expenses	123,211.78	96,643.00
Total Unrestricted Assets	9,052,287.29	8,063,105.50
Restricted Assets:		
Cash and Cash Equivalents	7,904,655.46	6,236,888.29
Total Restricted Assets	7,904,655.46	6,236,888.29
Total Current Assets	16,956,942.75	14,299,993.79
Noncurrent Assets:		
Capital Assets:		
Completed (Net of Accumulated Depreciation)	32,621,804.69	33,840,595.52
Construction in Progress	50,695.75	50,695.75
Total Capital Assets	32,672,500.44	33,891,291.27
Total Assets	49,629,443.19	48,191,285.06
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	1,162,175.00	1,013,168.00
Related to OPEB	4,479,321.88	2,878,013.19
Deferred Loss on Defeasance of Debt	8,234.07	9,880.89
Total Deferred Outflows of Resources	5,649,730.95	3,901,062.08

(Continued)

MONROE MUNICIPAL UTILITIES AUTHORITY
Statements of Net Position
As of June 30, 2022 and 2021

	2022	2021
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable - Operations	$ 475,238.92	$ 623,360.04
Accounts Payable - Related to Pensions	361,883.00	391,974.00
Payroll Deductions Payable	6,486.44	-
Developer Escrow Deposits	742,963.12	141,720.17
Total Current Liabilities Payable from Unrestricted Assets	1,586,571.48	1,157,054.21
Current Liabilities Payable from Restricted Assets:		
Revenue Bonds Payable - Current Portion	1,285,000.00	1,815,000.00
Accrued Interest Payable	122,900.00	159,200.00
Contracts Payable	-	68,401.00
Total Current Liabilities Payable from Restricted Assets	1,407,900.00	2,042,601.00
Long-term Liabilities:		
Revenue Bonds Payable	4,949,263.29	6,293,115.94
Other Post Employment Benefits Obligation	10,994,107.00	9,120,790.00
Related to Pensions	3,965,037.00	4,900,312.00
Accrued Compensated Absences	46,951.91	71,939.79
Total Long-term Liabilities	19,955,359.20	20,386,157.73
Total Liabilities	22,949,830.68	23,585,812.94
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	2,861,245.00	2,619,697.00
Related to OPEB	3,889,498.00	4,024,603.00
Total Deferred Inflows of Resources	6,750,743.00	6,644,300.00
NET POSITION		
Net Investment in Capital Assets	26,446,471.22	25,725,405.22
Restricted:		
Bond Resolution Covenants	4,840,293.75	5,449,967.42
Unrestricted (Deficit)	(5,708,164.51)	(9,313,138.44)
Total Net Position	$ 25,578,600.46	$ 21,862,234.20

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

MONROE MUNICIPAL UTILITIES AUTHORITY
Statements of Revenue, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Operating Revenues:		
Service Charges	$ 13,192,600.70	$ 12,671,061.29
Connection Fees	1,031,352.71	939,012.79
Other Operating Revenues	436,972.47	152,257.45
Total Operating Revenues	14,660,925.88	13,762,331.53
Operating Expenses:		
Administration:		
Salaries and Wages	710,857.83	630,562.21
Fringe Benefits	215,824.54	229,126.62
Other Expenses	650,896.74	754,047.48
Cost of Providing Service:		
Salaries and Wages	1,647,584.95	1,824,699.66
Fringe Benefits	436,927.93	755,701.62
Other Expenses	5,224,975.27	5,321,032.92
Depreciation	1,627,930.97	1,535,713.46
Total Operating Expenses	10,514,998.23	11,050,883.97
Operating Income	4,145,927.65	2,711,447.56
Non-operating Revenue (Expenses):		
Investment Income	4,539.47	9,391.47
Interest Expense	(188,594.17)	(259,966.72)
Major Repairs and Other Expenses	(245,506.69)	(109,409.20)
Total Non-operating Revenue (Expenses)	(429,561.39)	(359,984.45)
Change in Net Position	3,716,366.26	2,351,463.11
Net Position July 1	21,862,234.20	19,510,771.09
Net Position June 30	$ 25,578,600.46	$ 21,862,234.20

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

MONROE MUNICIPAL UTILITIES AUTHORITY
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities:		
Receipts from Customers	$ 14,500,730.08	$ 13,670,595.76
Payments to Suppliers	(7,203,593.72)	(7,080,150.23)
Payments to Employees	(3,112,865.91)	(2,790,980.55)
Other Operating Receipts	1,026,625.46	177,775.13
Net Cash Provided by Operating Activities	5,210,895.91	3,977,240.11
Cash Flows from Capital and Related Financing Activities:		
Capital Acquisitions	(723,047.83)	(411,945.08)
Bond Principal	(1,815,000.00)	(1,765,000.00)
Interest Expense	(282,100.00)	(352,375.00)
Net Cash Used in Capital and Related Financing Activities	(2,820,147.83)	(2,529,320.08)
Cash Flows from Investing Activities:		
Interest on Investments	4,539.47	9,391.47
Net Cash Provided by Investing Activities	4,539.47	9,391.47
Net Increase in Cash and Cash Equivalents	2,395,287.55	1,457,311.50
Cash and Cash Equivalents -- July 1	13,517,057.25	12,059,745.75
Cash and Cash Equivalents -- June 30	$ 15,912,344.80	$ 13,517,057.25
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	$ 4,145,927.65	$ 2,711,447.56
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	1,627,930.97	1,535,713.46
GASB 68 Pension Expense (Benefit)	(872,825.00)	(259,069.00)
GASB 75 Pension Expense (Benefit)	136,903.31	(82,539.77)
Change in Assets and Liabilities:		
Change in Consumer Accounts Receivable	(145,445.80)	(91,735.77)
Change in Other Accounts Receivable	(14,750.00)	-
Change in Inventory	(74,896.83)	39,973.30
Change in Prepaid Expenses	(26,568.78)	(6,286.24)
Change in Accounts Payable - Operations	(148,121.12)	148,469.97
Change in Payroll Deductions Payable	6,486.44	(7,196.87)
Change in Accrued Liabilities	(24,987.88)	13,086.96
Change in Developers' Escrow Deposits	601,242.95	(24,623.49)
Net Cash Provided by Operating Activities	$ 5,210,895.91	$ 3,977,240.11

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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 Authority is a public body corporate and politic of the State of New Jersey and was originally created as a sewerage authority 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 reorganized as a municipal utilities authority pursuant to the Municipal and County Utilities Authorities Law.

The Authority currently provides water supply and sewerage collection service to 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. 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.

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

Component Unit (Cont'd)

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

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.

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

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 contribution for the Authority's pension and other postemployment benefits (OPEB) Plan are not included in the budget appropriations.

The legal level of budgetary control is established at the same level of detail shown on the Statement of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended.

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

Cash, Cash Equivalents and Investments

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

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

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

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

Cash, Cash Equivalents and Investments (Cont'd)

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

Inventories

Inventory consists principally of 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 on capital assets is computed using the straight-line method over the shorter of the lease term or the following useful lives:

	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.

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Compensated Absences

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

Unearned Revenue

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

Pensions

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

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

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

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:

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

Net Position (Cont'd)

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 and major repairs and other expenses.

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.

Impact of Recently Issued Accounting Policies

Recently Issued and Adopted Accounting Pronouncements

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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The adoption of this Statement had no impact on the Authority's financial statements.

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

Impact of Recently Issued Accounting Policies (Cont'd)

Recently Issued and Adopted Accounting Pronouncements (Cont'd)

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. The adoption of this Statement had no impact on the Authority's 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. The adoption of this Statement had no impact on the Authority's 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 adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 98, *The Annual Comprehensive Financial Report* This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The adoption of this Statement had no impact on the Authority's financial statements.

Recently Issued Accounting Pronouncements

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

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.

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. 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 Statement 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, 2022, but as a result of GASB Statement 95 will become effective in the fiscal year ending June 30, 2023.
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, 2022, but as a result of GASB Statement 95 will become effective in the fiscal year ending June 30, 2023.
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, 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. 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.

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. 99, *Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective immediately. The requirements related to leases, PPPs, and SBITAs will become effective for the Authority in the fiscal year ending June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will become effective for the Authority in the fiscal year ending June 30, 2024. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 100, *Accounting Changes and Error Corrections.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement will become effective for the Authority in the fiscal year ending June 30, 2024. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Authority in the fiscal year ending June 30, 2025. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

General Bond Resolution
The Authority is subject to the provisions and restrictions of the General Bond Resolution adopted 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, 2022 and 2021, the balance in the operating account meets the requirements of the Bond Resolution.

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

General Bond Resolution (Cont'd)

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, 2022 and 2021, the balance in the debt service account meets the requirements of the Bond Resolution.

Debt Reserve Account - The amount of funds on deposit varies by revenue bond series must be maintained to ensure funds are available for payment of Debt Service. At June 30, 2022 and 2021, 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, 2022 and 2021, the renewal and replacement account balance of $2,000,000.00 meets the requirements of the Bond Resolution.

Construction Account – These funds were held by the Trustee and is used to pay 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 2010 and Series 2019 Bonds.

Debt Service Coverage

Section 20(B) of the 1991 Supplemental Resolution relating to the Bond Resolution requires certain ratios of Net Revenues to Debt Service. Compliance with this covenant is calculated as follows:

	2022	2021
Operating Revenues:		
Utility Service Charges	$ 13,231,660.54	$ 12,671,061.29
Connection Fees	1,031,352.71	939,012.79
Investments and Miscellaneous Income	402,452.10	161,648.92
Net Revenues	14,665,465.35	13,771,723.00
Operating Expenses:		
Operating Expenses and Capital Outlay	9,868,495.64	9,966,188.48
	4,796,969.71	3,805,534.52
110% on Next Succeeding Year's Annual Debt Service Requirement	1,654,915.63	2,306,810.00
Excess of Revenues	$ 3,142,054.09	$ 1,498,724.52

Note 3: DETAIL NOTES - ASSETS

Cash and Cash Equivalents

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

As of June 30, 2022 and June 30, 2021, the Authority's bank balances were exposed to custodial credit risk as follows:

	June 30, 2022	June 30, 2021
Insured by F.D.I.C.	$ 500,000.00	$ 500,000.00
Insured by GUDPA	5,443,797.25	5,258,072.20
Unissued and Uncollateralized	9,975,572.72	7,807,382.29
	$ 15,919,369.97	$ 13,565,454.49

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
2022	$ 671,214.72	$ 13,192,600.70	$ 13,046,819.95	94.11%
2021	579,478.95	12,671,061.29	12,588,679.47	95.01%
2020	492,099.14	12,105,778.39	12,248,029.77	97.22%

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

Capital Assets

During the fiscal year ended June 30, 2022, the following changes in Capital Assets occurred:

	Balance June 30, 2021	Additions	Deletions	Adjustments	Balance June 30, 2022
Capital Assets not being Depreciated:					
Land	$ 545,574.00				$ 545,574.00
Construction in Progress	50,695.75	$ 306,014.73		$ (306,014.73)	50,695.75
Total Capital Assets not being Depreciated	596,269.75	306,014.73	-	(306,014.73)	596,269.75
Capital Assets being Depreciated:					
Plants & Buildings	23,671,824.53				23,671,824.53
Machinery and Equipment	4,334,456.00	103,125.41		306,014.73	4,743,596.14
Furniture & Fixtures	146,343.00				146,343.00
Mains & Laterals	37,051,226.99				37,051,226.99
Total Capital Assets being Depreciated	65,203,850.52	103,125.41	-	306,014.73	65,612,990.66
Total Capital Assets	65,800,120.27	409,140.14	-	-	66,209,260.41
Less: Accumulated Depreciation	31,908,829.00	1,627,930.97			33,536,759.97
Total Accumulated Depreciation	31,908,829.00	1,627,930.97	-	-	33,536,759.97
Capital Assets, Net	$ 33,891,291.27	$ (1,218,790.83)	$ -	$ -	$ 32,672,500.44

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

Capital Assets (Cont'd)

During the fiscal year ended June 30, 2021, the following changes in Capital Assets occurred:

	Balance June 30, 2020	Additions	Deletions	Adjustments	Balance June 30, 2021
Capital Assets not being Depreciated:					
Land	$ 545,574.00				$ 545,574.00
Construction in Progress	1,802,212.44	$ 428,448.13	$ 109,409.20	$ (2,070,555.62)	50,695.75
Total Capital Assets not being Depreciated	2,347,786.44	428,448.13	109,409.20	(2,070,555.62)	596,269.75
Capital Assets being Depreciated:					
Plants & Buildings	23,671,824.53				23,671,824.53
Machinery and Equipment	4,150,273.61	33,769.00	31,825.50	182,238.89	4,334,456.00
Furniture & Fixtures	146,343.00				146,343.00
Mains & Laterals	35,162,910.26			1,888,316.73	37,051,226.99
Total Capital Assets being Depreciated	63,131,351.40	33,769.00	31,825.50	(2,070,555.62)	65,203,850.52
Total Capital Assets	65,479,137.84	462,217.13	141,234.70	-	65,800,120.27
Less: Accumulated Depreciation	30,373,115.54	1,535,713.46			31,908,829.00
Total Accumulated Depreciation	30,373,115.54	1,535,713.46	-	-	31,908,829.00
Capital Assets, Net	$ 35,106,022.30	$ (1,073,496.33)	$ 141,234.70	$ -	$ 33,891,291.27

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 $6,130,000.00 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.

Note 4: DETAIL NOTES – DEFERRED OUTFLOWS OF RESOURCES (CONT'D)

Deferred Loss of Defeasance of Debt (Cont'd)

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, 2022, the following changes occurred in long-term obligations:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Bonds and Loans Payable:					
Bonds Payable	$ 7,755,000.00		$ (1,815,000.00)	$ 5,940,000.00	$ 1,285,000.00
Bond Premiums	353,115.94		(58,852.65)	294,263.29	
Total Bonds Payable	8,108,115.94	-	(1,873,852.65)	6,234,263.29	1,285,000.00
Other Liabilities:					
Net Pension Liability	4,900,312.00	$ 3,419,989.00	(4,355,264.00)	3,965,037.00	
Net OPEB Obiligation	9,120,790.00	8,035,940.00	(6,162,623.00)	10,994,107.00	
Compensated Absences	71,939.79	8,478.82	(33,466.70)	46,951.91	
Total Other Liabilities	14,093,041.79	11,464,407.82	(10,551,353.70)	15,006,095.91	-
Total Long-term Liabilities	$ 22,201,157.73	$ 11,464,407.82	$ (12,425,206.35)	$ 21,240,359.20	$ 1,285,000.00

During the fiscal year ended June 30, 2021, the following changes occurred in long-term obligations:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Bonds and Loans Payable:					
Bonds Payable	$ 9,520,000.00		$ (1,765,000.00)	$ 7,755,000.00	$ 1,815,000.00
Bond Premiums	440,316.96		(87,201.02)	353,115.94	
Total Bonds Payable	9,960,316.96	-	(1,852,201.02)	8,108,115.94	1,815,000.00
Other Liabilities:					
Net Pension Liability	5,298,112.00	$ 3,378,056.00	(3,775,856.00)	4,900,312.00	
Net OPEB Obiligation	6,559,431.00	6,687,314.00	(4,125,955.00)	9,120,790.00	
Compensated Absences	58,852.82	23,125.91	(10,038.94)	71,939.79	
Total Other Liabilities	11,916,395.82	10,088,495.91	(7,911,849.94)	14,093,041.79	-
Total Long-term Liabilities	$ 21,876,712.78	$ 10,088,495.91	$ (9,764,050.96)	$ 22,201,157.73	$ 1,815,000.00

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

Revenue Bonds Payable

The Revenue Bonds Series 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 6).

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.

The following schedule reflects the Debt Requirements until fiscal year 2028:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	1,005,000.00	58,537.50	1,063,537.50
2027	455,000.00	27,900.00	482,900.00
2028	470,000.00	9,400.00	479,400.00
	5,940,000.00	$ 590,337.50	$ 6,530,337.50
Less: Current Maturities	1,285,000.00		
Add: Premium on Bonds	294,263.29		
Long-term Portion	$ 4,949,263.29		

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

Compensated Absences

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

Authority employees may accumulate a maximum of 70 unused sick days. Employees are compensated for accumulated sick leave upon retirement or resignation at one-half of their then current hourly rate of pay times the number of days accumulated. The accrued liability for accumulated sick leave and vacation time at June 30, 2022 and June 30, 2021 is estimated at $46,951.91 and $71,939.79, respectively.

Pension Plans

A substantial number of the Authority's employees participate in the Public Employees' Retirement System ("PERS") which is administered by the New Jersey Division of Pensions and Benefits. In addition, Authority employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower (formerly Prudential Financial) for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS 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

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.

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

Pension Plans (Cont'd)

General Information about the Pension Plans (Cont'd)

Plan Descriptions (Cont'd)

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

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

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

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

Pension Plans (Cont'd)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

Contributions

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

The Authority's contractually required contribution rate for the fiscal years ended June 30, 2022 and June 30, 2021 was 16.92% and 17.93% of the Authority's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the Authority's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was $361,883.00, and was payable by April 1, 2023. For the prior year measurement date of June 30, 2020, the Authority's contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 was $391,974.00, and was paid by April 1, 2022.

Employee contributions to the Plan for the fiscal year ended June 30, 2022 and June 30, 2021 were $161,242.69 and $165,444.83, 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, Plan 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. For the fiscal years ended June 30, 2022 and 2021, there were no employees participating in the 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

Public Employees' Retirement System

Pension Liability – As of June 30, 2022, the Authority's proportionate share of the PERS net pension liability was $3,965,037.00. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. 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, 2021 measurement date, the Authority's proportion was .0334701195%, which was an increase of .00304204709% from its proportion measured as of June 30, 2020.

As of June 30, 2021, the Authority's proportionate share of the PERS net pension liability was $4,900,312.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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, 2020 measurement date, the Authority's proportion was .0300496486%, which was an increase of .0006458857% from its proportion measured as of June 30, 2019.

Pension (Benefit) Expense - For the fiscal years ended June 30, 2022 and June 30, 2021, the Authority recognized its proportionate share of the PERS pension (benefit) expense of ($480,851.00) and $69,660.00, respectively. These amounts were based on the Plan's June 30, 2021 and 2020 measurement dates, respectively.

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

Pension Plans (Cont'd)

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

Public Employees' Retirement System (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2022 and June 30, 2021, the Authority had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2022 Measurement Date June 30, 2021		June 30, 2021 Measurement Date June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 62,534.00	$ 28,385.00	$ 89,227.00	$ 17,330.00
Changes of Assumptions	20,650.00	1,411,579.00	158,972.00	2,051,807.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,044,495.00	167,497.00	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	717,108.00	376,786.00	205,498.00	550,560.00
Authority Contributions Subsequent to the Measurement Date	361,883.00	-	391,974.00	-
	$ 1,162,175.00	$ 2,861,245.00	$ 1,013,168.00	$ 2,619,697.00

Deferred outflows of resources in the amounts of $361,883.00 and $391,974.00 will be included as a reduction of the net pension liability during the fiscal years ending June 30, 2023 and 2022, respectively. These amounts are based on an estimated April 1, 2023 and April 1, 2022 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2021 and 2020 to the Authority's fiscal year end of June 30, 2022 and June 30, 2021.

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

Pension Plans (Cont'd)

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

Public Employees' Retirement System (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The 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		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience			Changes of Assumptions		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2014	-	-	June 30, 2014	6.44	-
June 30, 2015	5.72	-	June 30, 2015	5.72	-
June 30, 2016	5.57	-	June 30, 2016	5.57	-
June 30, 2017	5.48	-	June 30, 2017	-	5.48
June 30, 2018	-	5.63	June 30, 2018	-	5.63
June 30, 2019	5.21	0	June 30, 2019	-	5.21
June 30, 2020	5.16	-	June 30, 2020	-	5.16
June 30, 2021	-	5.13	June 30, 2021	5.13	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments			Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2014	-	-	June 30, 2014	6.44	6.44
June 30, 2015	-	-	June 30, 2015	5.72	5.72
June 30, 2016	5.00	-	June 30, 2016	5.57	5.57
June 30, 2017	-	5.00	June 30, 2017	5.48	5.48
June 30, 2018	-	5.00	June 30, 2018	5.63	5.63
June 30, 2019	-	5.00	June 30, 2019	5.21	5.21
June 30, 2020	-	5.00	June 30, 2020	5.16	5.16
June 30, 2021	-	5.00	June 30, 2021	5.13	5.13

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

Fiscal Year Ending June 30,	
2023	$ (908,274.00)
2024	(663,544.00)
2025	(315,731.00)
2026	(192,444.00)
2027	19,040.00
	$ (2,060,953.00)

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

Pension Plans (Cont'd)

Actuarial Assumptions

Public Employees' Retirement System

The net pension liability was measured as of June 30, 2022 and 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022 and 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date June 30, 2021	Measurement Date June 30, 2020
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.00% - 6.00% Based on Years of Service	2.00% - 6.00% Based on Years of Service
Thereafter	3.00% - 7.00% Based on Years of Service	3.00% - 7.00% Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2014 - June 30, 2018

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

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

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

Pension Plans (Cont'd)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System (Cont'd)

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2022 and 2021) 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, 2022 and 2021 are summarized in the table below:

	Measurement Date June 30, 2021		Measurement Date June 30, 2020	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.71%	13.50%	8.57%
Emerging Markets Equity	5.50%	10.96%	5.50%	10.23%
Private Equity	13.00%	11.30%	13.00%	11.42%
Real Estate	8.00%	9.15%	8.00%	9.56%
Real Assets	3.00%	7.40%	3.00%	9.73%
High Yield	2.00%	3.75%	2.00%	5.95%
Private Credit	8.00%	7.60%	8.00%	7.59%
Investment Grade Credit	8.00%	1.68%	8.00%	2.67%
Cash Equivalents	4.00%	0.50%	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.35%	3.00%	3.40%
	100.00%		100.00%	

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

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

Pension Plans (Cont'd)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System (Cont'd)

Discount Rate (Cont'd) - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System

The following presents the Authority's proportionate share of the net pension liability as of the June 30, 2022 measurement date, calculated using a discount rate of 7.00%, as well as what the 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, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's Proportionate Share of the Net Pension Liability	$ 5,399,577.00	$ 3,965,037.00	$ 2,747,627.00

The following presents the Authority's proportionate share of the net pension liability as of the June 30, 2021 measurement date, calculated using a discount rate of 7.00%, 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, 2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's Proportionate Share of the Net Pension Liability	$ 6,833,229.00	$ 4,900,312.00	$ 4,210,027.00

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

Pension Plans (Cont'd)

Pension Plan Fiduciary Net Position

Public Employees' Retirement System

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

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

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

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

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

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

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.

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

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

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

Contributions (Cont'd) - The Authority was billed monthly by the Plan and paid $216,004.88 and $164,430.19, for the fiscal years ended June 30, 2022 and June 30, 2021, respectively. These amounts represent 10.10% and 7.52% of the Authority's covered payroll. During the fiscal years ended June 30, 2022 and June 30, 2021, retirees were not required to contribute to the Plan.

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

OPEB Liability - At June 30, 2022, the Authority's proportionate share of the net OPEB liability was $8,185,761.00.

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

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, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the Authority's proportion was .045477%, which was an increase of .002291% from its proportion measured as of the June 30, 2020 measurement date.

At June 30, 2021, the Authority's proportionate share of the net OPEB liability was $7,750,424.00.

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

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, 2019 through June 30, 2020. For the June 30, 2020 measurement date, the Authority's proportion was .043186%, which was an increase of .003841% from its proportion measured as of the June 30, 2019 measurement date.

OPEB (Benefit) Expense - At June 30, 2022, the Authority's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date, is $99,315.00.

At June 30, 2021, the Authority's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date, is $6,258.00.

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - At June 30, 2022 and 2021, the Authority had deferred outflows of resources and deferred inflows of resources from the following sources:

	June 30, 2022		June 30, 2021	
	Measurement Date June 30, 2021		Measurement Date June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 183,679.00	$ 1,712,582.00	$ 204,140.00	$ 1,443,274.00
Changes of Assumptions	1,177,546.00	1,446,929.00	1,159,220.00	1,723,575.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	3,914.00	-	4,922.00	-
Changes in Proportion	1,080,567.00	634,929.00	747,597.00	798,811.00
Contributions Subsequent to the Measurement Date	216,004.88	-	164,430.19	-
	$ 2,661,710.88	$ 3,794,440.00	$ 2,280,309.19	$ 3,965,660.00

Deferred outflows of resources in the amount of $216,004.88 was the result of the Authority contributions subsequent to the Plan's measurement date of June 30, 2021. This amount will be included as a reduction of the Authority's net OPEB liability during the fiscal year ending June 30, 2023. Deferred outflows of resources in the amount of $164,430.19 was the result of the Authority contributions subsequent to the Plan's measurement date of June 30, 2020. This amount was included as a reduction of the Authority's net OPEB liability during the fiscal year ending June 30, 2022.

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

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

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	
June 30, 2023	$ (479,048.00)
June 30, 2024	(479,691.00)
June 30, 2025	(480,278.00)
June 30, 2026	(253,220.00)
June 30, 2027	51,487.00
Thereafter	292,016.00
	$ (1,348,734.00)

Actuarial Assumptions

The actuarial valuation at June 30, 2021 and 2020 used the following actuarial assumptions, applied to all periods in the measurement:

	Measurement Date June 30, 2021	Measurement Date June 30, 2020
Inflation Rate	2.50%	2.50%
Salary Increases *		
PERS:		
Initial Fiscal Year Applied:		
Rate through 2026	2.00% to 6.00%	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%	3.00% to 7.00%

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

For the June 30, 2021 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-2021. For the June 30, 2020 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-2020.

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)

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

100% of active members in both the June 30, 2021 and June 30, 2020 measurement dates are considered to participate in the Plan upon retirement.

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

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2021 and 2020 were 2.16% and 2.21%, 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 – The health care trend assumptions used is as follows:

	Annual Rate of Increase			
	Medical Trend			Prescription
Fiscal Year Ending	Pre-65	PPO Post-65	HMP Post-65	Drug Trend
2021	5.65%	13.08%	13.76%	6.75%
2022	5.55%	3.34%	3.22%	6.50%
2023	5.45%	0.52%	0.17%	6.25%
2024	5.35%	7.56%	7.79%	6.00%
2025	5.20%	14.43%	15.23%	5.50%
2026	5.00%	12.55%	13.19%	5.00%
2027	4.75%	8.95%	9.29%	4.75%
2028	4.50%	5.92%	6.04%	4.50%
2029	4.50%	5.38%	5.46%	4.50%
2030	4.50%	4.86%	4.89%	4.50%
2031	4.50%	4.55%	4.56%	4.50%
2032 and Later	4.50%	4.50%	4.50%	4.50%

For the June 30, 2020 measurement date, the trend rate for pre-Medicare medical benefits, is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven 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, 2021, the Plan's measurement date, for the Authority calculated using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	June 30, 2022		
	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Authority's Proportionate Share of the Net OPEB Liability	$ 9,633,071.00	$ 8,185,761.00	$ 7,038,737.00

The net OPEB liability as of June 30, 2020, the Plan's measurement date, for the Authority calculated using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	June 30, 2021		
	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Authority's Proportionate Share of the Net OPEB Liability	$ 9,162,639.00	$ 7,750,424.00	$ 6,632,528.00

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

The Authority's proportionate share of the net OPEB liability as of June 30, 2021, the Plan's measurement date, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's Proportionate Share of the Net OPEB Liability	$ 6,829,682.00	$ 8,185,761.00	$ 9,955,277.00

The Authority's proportionate share of the net OPEB liability as of June 30, 2020, the Plan's measurement date, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's Proportionate Share of the Net OPEB Liability	$ 6,413,484.00	$ 7,750,424.00	$ 9,501,165.00

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

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

OPEB Plan Fiduciary Net Position

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

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, 2022 and 2021, the following employees were covered by the benefit terms:

	June 30, 2022	June 30, 2021
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	14	10
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments		
Active Employees	28	35
	42	45

Contributions

Employees are not required to contribute to the plan.

Total OPEB Liability

The Authority's total OPEB liability of $2,808,346.00 as of June 30, 2022 and $1,370,366.00 as of June 30, 2021 was measured as of June 30, 2022 and 2021, respectively. The liabilities were determined by an actuarial valuation as of June 30, 2022 and 2021.

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	2.5% Annually
Salary Increases	3.5% Annually
Discount Rate	3.35%
Healthcare Cost Trend Rates	
Medical (Pre-65)	4.5%
Medical (Post-65)	4.5%
Prescription	5%
Medicare Part B	5%
Retirees' Share of Benefit-Related Costs	Pursuant to Chapter 78

The discount rate was based on "The Bond Buyer 20-Bond GO Index as of the measurement date.

Mortality rates were based on the PUB-2010 (G) headcount-weighted sex-distinct mortality tables with Scale MP-2021.

Termination rates vary by age and service. No termination is assumed after retirement eligibility is attained.

An experience study was not performed on the actuarial assumptions used in the June 30, 2022 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, 2022 and 2021, respectively:

	June 30, 2022		June 30, 2021	
Balance at Beginning of Year		$ 1,370,366.00		$ 1,229,729.00
Changes for the Year:				
Service Cost	51,783.00		45,481.00	
Interest Cost	37,297.00		32,518.00	
Benefit Payments	(40,019.00)		(14,506.00)	
Changes of Assumptions	1,436,179.00		77,144.00	
Differences Between Expected and Actual Demographic Experience	(47,260.00)		-	
Net Changes		1,437,980.00		140,637.00
Balance at End of Year		$ 2,808,346.00		$ 1,370,366.00

There were no changes of benefit terms ending June 30, 2022 and 2021. In the fiscal year ending June 30, 2022 the discount rate changed from 2.18% to 3.35% and the mortality rates were updated using the 2010 U.S PUB-2010 tables.

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, 2022		
	1.00% Decrease (2.35%)	Current Discount Rate (3.35%)	1.00% Increase (4.35%)
Total OPEB Liability	$ 3,480,182.00	$ 2,808,346.00	$ 2,294,097.00

	June 30, 2021		
	1.00% Decrease (1.18%)	Current Discount Rate (2.18%)	1.00% Increase (3.18%)
Total OPEB Liability	$ 1,706,270.00	$ 1,370,366.00	$ 1,116,328.00

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, 2022		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	$ 2,302,853.00	$ 2,808,346.00	$ 3,500,471.00

	June 30, 2021		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	$ 1,095,224.00	$ 1,370,366.00	$ 1,743,256.00

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 years ended June 30, 2022 and 2021, the Authority recognized OPEB (benefit) expense of $294,207.00 and $128,202.00. At June 30, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2022		June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 1,761,044.00	$ 53,049.00	$ 534,852.00	$ 58,943.00
Differences Between Expected and Actual Demographic Experience	56,567.00	42,009.00	62,852.00	-
	$ 1,817,611.00	$ 95,058.00	$ 597,704.00	$ 58,943.00

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,	
2023	$ 205,127.00
2024	205,127.00
2025	205,127.00
2026	205,127.00
2027	205,127.00
Thereafter	696,918.00
	$ 1,722,553.00

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

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

At June 30, 2022 and 2021, 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, 2021	Additions	Reductions	Balance June 30, 2022
Deferred Outflows of Resources - Related to OPEB				
State Plan	$ 2,280,309.19	$ 1,091,279.41	$ (709,877.72)	$ 2,661,710.88
Authority Plan	597,704.00	1,436,179.00	(216,272.00)	1,817,611.00
Total Deferred Outflows of Resources - Related to OPEB	$ 2,878,013.19	$ 2,527,458.41	$ (926,149.72)	$ 4,479,321.88
Net OPEB Liability				
State Plan	$ 7,750,424.00	$ 6,510,681.00	$ (6,075,344.00)	$ 8,185,761.00
Authority Plan	1,370,366.00	1,525,259.00	(87,279.00)	2,808,346.00
Total Net OPEB Liability	$ 9,120,790.00	$ 8,035,940.00	$ (6,162,623.00)	$ 10,994,107.00
Deferred Inflows of Resources - Related to OPEB				
State Plan	$ 3,965,660.00	$ 853,277.53	$ (1,024,497.53)	$ 3,794,440.00
Authority Plan	58,943.00	47,260.00	(11,145.00)	95,058.00
Total Deferred Inflows of Resources - Related to OPEB	$ 4,024,603.00	$ 900,537.53	$ (1,035,642.53)	$ 3,889,498.00

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Deferred Outflows of Resources - Related to OPEB				
State Plan	$ 107,125.42	$ 2,701,692.11	$ (528,508.34)	$ 2,280,309.19
Authority Plan	512,420.00	141,981.00	(56,697.00)	597,704.00
Total Deferred Outflows of Resources - Related to OPEB	$ 619,545.42	$ 2,843,673.11	$ (585,205.34)	$ 2,878,013.19
Net OPEB Liability				
State Plan	$ 5,329,702.00	$ 6,532,171.00	$ (4,111,449.00)	$ 7,750,424.00
Authority Plan	1,229,729.00	219,980.00	(79,343.00)	1,370,366.00
Total Net OPEB Liability	$ 6,559,431.00	$ 6,752,151.00	$ (4,190,792.00)	$ 9,120,790.00
Deferred Inflows of Resources - Related to OPEB				
State Plan	$ 4,410,034.00	$ 453,083.92	$ (897,457.92)	$ 3,965,660.00
Authority Plan	-	64,837.00	(5,894.00)	58,943.00
Total Deferred Inflows of Resources - Related to OPEB	$ 4,410,034.00	$ 517,920.92	$ (903,351.92)	$ 4,024,603.00

Note 6: 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 Services of the Authority are borne by revenue of the system.

Note 7: 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 8: NET POSITION

The following is a summary of the Authority's unrestricted net position for the fiscal years ended June 30, 2022 and 2021:

	June 30, 2022	June 30, 2021
Unresticted Net Position:		
Unrestricted	$ (5,708,164.51)	$ (9,313,138.44)
Reconcilation of Unrestricted Net Position (Deficit):		
Effects of GASB 68 and 71 Pension Related Items	$ (5,664,107.00)	$ (6,506,841.00)
Effects of GASB 75 OPEB Related Items	(10,404,283.12)	(10,267,379.81)
Designated for Renewal & Replacement	608,888.79	607,550.96
Undesignated before GASB 68 and 71 Pension Items and GASB 75 OPEB Related Items	9,751,336.82	6,853,531.41
	$ (5,708,164.51)	$ (9,313,138.44)

Note 9: RISK MANAGEMENT

The Authority is a member of NJ 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 Fund provides that the Fund 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, 2021, which can be obtained from:

NJ Utility Authorities Joint Insurance Fund
9 Campus Dr, Suite 216
Parsippany, NJ 07054-4412

Note 10: 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 11: SUBSEQUENT EVENTS

Unrestricted Net Position - Subsequent to June 30, 2022, the Authority appropriated net position as follows:

Date	Resolution	Purpose	Authorization
12/21/22	103-22	Water Main Replacement Project	$ 288,500.00
12/21/22	104-22	Preliminary Costs for Water Main Project	207,100.00
02/15/23	041-23	Water Meters for Water Main Project	595,000.00
			$ 1,090,600.00

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 Five Fiscal Years

Total OPEB Liability	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**
Service Cost	$ 51,783.00	$ 45,481.00	$ 53,621.00
Interest Cost	37,297.00	32,518.00	35,129.00
Benefit Payments	(40,019.00)	(14,506.00)	(329,571.00)
Actuarial Assumption Changes	1,436,179.00	77,144.00	(70,731.00)
Actuarial Demographic Gains	(47,260.00)	-	-
Net Change in Total OPEB Liability	1,437,980.00	140,637.00	(311,552.00)
Total OPEB Liability - Beginning of Fiscal Year	1,370,366.00	1,229,729.00	1,541,281.00
Total OPEB Liability - End of Fiscal Year	$ 2,808,346.00	$ 1,370,366.00	$ 1,229,729.00
Covered Employee Payroll	$ 2,138,966.00	$ 2,185,945.00	$ 2,324,123.00
Total OPEB Liability as a Percentage of Covered Employee Payroll	131.29%	62.69%	52.91%

Total OPEB Liability	**June 30, 2019**	**June 30, 2018**
Service Cost	$ 35,111.00	$ 19,026.00
Interest Cost	26,264.00	-
Benefit Payments	(14,506.00)	(14,506.00)
Actuarial Assumption Changes	340,256.00	275,509.00
Actuarial Demographic Gains		87,992.00
Net Change in Total OPEB Liability	387,125.00	368,021.00
Total OPEB Liability - Beginning of Fiscal Year	1,154,156.00	786,135.00
Total OPEB Liability - End of Fiscal Year	$ 1,541,281.00	$ 1,154,156.00
Covered Employee Payroll	$ 2,171,998.00	$ 2,249,337.00
Total OPEB Liability as a Percentage of Covered Employee Payroll	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 Six Plan Years

	Measurement Date Ended June 30,		
	2021	**2020**	**2019**
Authority's Proportion of the Net OPEB Liability	0.045477%	0.043186%	0.039345%
Authority's Proportionate Share of the Net OPEB Liability	$ 8,185,761.00	$ 7,750,424.00	$ 5,329,702.00
Authority's Covered Payroll (Plan Measurement Period)	$ 2,138,966.00	$ 2,324,123.00	$ 2,171,998.00
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	382.70%	333.48%	245.38%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.91%	1.98%

	Measurement Date Ended June 30,		
	2018	**2017**	**2016**
Authority's Proportion of the Net OPEB Liability	0.041521%	0.041938%	0.045292%
Authority's Proportionate Share of the Net OPEB Liability	$ 6,504,937.00	$ 8,561,973.00	$ 9,836,274.00
Authority's Covered Payroll (Plan Measurement Period)	$ 2,249,337.00	$ 2,284,658.00	$ 2,325,307.00
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	289.19%	374.76%	423.01%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%	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 Six Fiscal Years

	Fiscal Year Ended June 30,		
	2022	**2021**	**2020**
Authority's Required Contributions	$ 216,004.88	$ 164,430.19	$ 102,735.42
Authority's Contributions in Relation to the Required Contribution	(216,004.88)	(164,430.19)	(102,735.42)
Authority's Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 2,138,966.00	$ 2,185,945.00	$ 2,324,123.00
Authority's Contributions as a Percentage of Covered Payroll	10.10%	7.52%	4.42%

	Fiscal Year Ended June 30,		
	2019	**2018**	**2017**
Authority's Required Contributions	$ 130,991.88	$ 164,913.31	$ 156,757.19
Authority's Contributions in Relation to the Required Contribution	(130,991.88)	(164,913.31)	(156,757.19)
Authority's Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 2,171,998.00	$ 2,249,337.00	$ 2,284,658.00
Authority's Contributions as a Percentage of Covered Payroll	6.03%	7.33%	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 Nine Plan Years

	Measurement Date Ending June 30,		
	2021	**2020**	**2019**
Authority's Proportion of the Net Pension Liability	0.0334701195%	0.0300496486%	0.0294037629%
Authority's Proportionate Share of the Net Pension Liability	$ 3,965,037.00	$ 4,900,312.00	$ 5,298,112.00
Authority's Covered Payroll (Plan Measurement Period)	$ 2,365,044.00	$ 2,159,260.00	$ 2,136,176.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	167.65%	226.94%	248.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%

	Measurement Date Ending June 30,		
	2018	**2017**	**2016**
Authority's Proportion of the Net Pension Liability	0.0331130635%	0.0334252237%	0.0319863315%
Authority's Proportionate Share of the Net Pension Liability	$ 6,519,797.00	$ 7,780,858.00	$ 9,473,434.00
Authority's Covered Payroll (Plan Measurement Period)	$ 2,325,380.00	$ 2,315,692.00	$ 2,186,344.00
Authority's Proportionate Share of the Net Pension	280.38%	336.01%	433.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%

	Measurement Date Ending June 30,		
	2015	**2014**	**2013**
Authority's Proportion of the Net Pension Liability	0.0318121301%	0.0296834402%	0.0309754913%
Authority's Proportionate Share of the Net Pension Liability	$ 7,141,186.00	$ 5,557,552.00	$ 5,920,032.00
Authority's Covered Payroll (Plan Measurement Period)	$ 2,194,428.00	$ 2,048,656.00	$ 2,136,236.00
Authority's Proportionate Share of the Net Pension	325.42%	271.28%	277.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	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 Nine Fiscal Years

	Fiscal Year Ended June 30,		
	2022	**2021**	**2020**
Contractually Required Contribution	$ 361,883.00	$ 391,974.00	$ 328,728.00
Contributions in Relation to the Contractually Required Contribution	(361,883.00)	(391,974.00)	(328,728.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 2,138,966.00	$ 2,185,945.00	$ 2,324,123.00
Contributions as a Percentage of Authority's Covered Payroll	16.92%	17.93%	14.14%

	Fiscal Year Ended June 30,		
	2019	**2018**	**2017**
Contractually Required Contribution	$ 286,012.00	$ 329,368.00	$ 309,649.00
Contributions in Relation to the Contractually Required Contribution	(286,012.00)	(329,368.00)	(309,649.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 2,171,998.00	$ 2,249,337.00	$ 2,284,658.00
Contributions as a Percentage of Authority's Covered Payroll	13.17%	14.64%	13.55%

	Fiscal Year Ended June 30,		
	2016	**2015**	**2014**
Contractually Required Contribution	$ 284,162.00	$ 273,499.00	$ 244,706.00
Contributions in Relation to the Contractually Required Contribution	(284,162.00)	(273,499.00)	(244,706.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 2,325,307.00	$ 2,145,724.00	$ 2,163,625.00
Contributions as a Percentage of Authority's Covered Payroll	12.22%	12.75%	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, 2022

Note 1: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - AUTHORITY PLAN

Change in Benefit Terms:

None

Changes in Assumptions:

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

Year	Rate	Year	Rate
2022	3.35%	2019	2.29%
2021	2.18%	2018	3.57%
2020	2.66%		

In addition to changes in the discount rate, updated mortality assumptions also affected the valuation of the net OPEB liability.

Note 2: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

Change in Benefit Terms:

The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions:

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

Year	Rate	Year	Rate
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

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

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated mortality improvement assumptions.

In October 2021, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2021. The MP-2021 scale reflects more recent mortality data for the U.S. population.

Note 3: POSTEMPLOYMENT BENEFITS - PENSION

Public Employees' Retirement System (PERS)

Change in Benefit Terms:

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

MONROE MUNICIPAL UTILITIES AUTHORITY
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

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

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

Changes in Assumptions:

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

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

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

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

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

SUPPLEMENTARY SCHEDULES

MONROE MUNICIPAL UTILITIES AUTHORITY
Combining Schedule of Revenue, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2022

	Unrestricted	Restricted: Debt Service	Restricted: Debt Service Reserve	Restricted: Renewal and Replacement	Restricted: Construction	Total
Operating Revenues:						
Service Charges	$ 13,192,600.70					$ 13,192,600.70
Connection Fees	1,031,352.71					1,031,352.71
Other Operating Revenues	436,972.47					436,972.47
Total Operating Revenues	14,660,925.88	-	-	-	-	14,660,925.88
Operating Expenses:						
Administration:						
Salaries and Wages	710,857.83					710,857.83
Fringe Benefits	215,824.54					215,824.54
Other Expenses	650,896.74					650,896.74
Cost of Providing Services:						
Salaries and Wages	1,647,584.95					1,647,584.95
Fringe Benefits	436,927.93					436,927.93
Other Expenses	5,224,975.27					5,224,975.27
Depreciation					$ 1,627,930.97	1,627,930.97
Total Operating Expenses	8,887,067.26	-	-	-	1,627,930.97	10,514,998.23
Operating Income (Loss)	5,773,858.62	-	-	-	(1,627,930.97)	4,145,927.65
Non-operating Revenue (Expenses):						
Investment Income	4,539.47					4,539.47
Interest Expense		$ (245,800.00)			57,205.83	(188,594.17)
Major Repairs and Other Expenses				$ (245,506.69)		(245,506.69)
Net Income (Loss) Before Transfers	5,778,398.09	(245,800.00)	-	(245,506.69)	(1,570,725.14)	3,716,366.26
Transfers Between Funds	(2,036,837.91)	245,800.00	(624,787.50)	124,034.27	2,291,791.14	-
Increase (Decrease) in Net Position	3,741,560.18	-	(624,787.50)	(121,472.42)	721,066.00	3,716,366.26
Net Position July 1	(10,195,179.46)	1,837,874.73	$ 1,738,956.25	2,776,043.71	25,704,538.97	21,862,234.20
Net Position June 30:						
Net Investment in Capital Assets				20,866.25	$ 26,425,604.97	26,446,471.22
Restricted	$ 1,726,125.00		1,114,168.75	2,000,000.00		4,840,293.75
Unrestricted (Deficit)	(8,179,744.28)	$ 1,837,874.73	$	$ 633,705.04		$ (5,708,164.51)

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, 2022

	Original Budget	Budget Transfers	Final Budget	2021-22 Actual	Favorable (Unfavorable)
Anticipated Revenues:					
Operating Revenues:					
Service Charges	$ 6,720,900.00		$ 6,720,900.00	$ 7,261,642.54	$ 540,742.54
Connection Fees	112,995.00		112,995.00	463,586.09	350,591.09
Other Operating Revenues:					
Application Fees	2,100.00		2,100.00	2,900.00	800.00
Search Fees	100.00		100.00		(100.00)
Sewer Loan Principal	1,300.00		1,300.00		(1,300.00)
Sewer Loan Interest	600.00		600.00		(600.00)
Other	16,500.00		16,500.00	153,337.13	136,837.13
Total Operating Revenues	6,854,495.00	-	6,854,495.00	7,881,465.76	1,026,970.76
Non-Operating Revenues:					
Investment Income	15,300.00		15,300.00	2,153.99	(13,146.01)
Total Anticipated Revenues	6,869,795.00	-	6,869,795.00	7,883,619.75	1,013,824.75
Operating Appropriations:					
Administration					
Salaries and Wages:					
Authority Members	2,375.00		2,375.00	2,375.00	
Office Administration	368,500.00		368,500.00	353,242.97	15,257.03
Total Salaries and Wages	370,875.00	-	370,875.00	355,617.97	15,257.03
Fringe Benefits:					
Pension	48,002.00	$ 9,600.00	57,602.00	57,602.00	-
Social Security	23,123.00	(2,200.00)	20,923.00	20,916.36	6.64
Medicare	5,561.00		5,561.00	4,953.61	607.39
Unemployment Insurance	1,463.00		1,463.00	1,378.45	84.55
Health Insurance	129,224.00	(3,500.00)	125,724.00	124,319.63	1,404.38
Total Fringe Benefits	207,373.00	3,900.00	211,273.00	209,170.05	2,102.95
Other Expenses:					
Insurance	75,000.00	11,000.00	86,000.00	85,691.00	309.00
Advertising	1,500.00		1,500.00	1,438.93	61.07
Computer Expense	40,000.00	8,500.00	48,500.00	48,296.06	203.94
Dues and Subscriptions	2,500.00		2,500.00	762.50	1,737.50
Office Maintenance Contracts	9,100.00	1,200.00	10,300.00	9,936.97	363.03
Postage	31,000.00		31,000.00	27,038.24	3,961.76
Office Supplies	28,250.00		28,250.00	24,931.06	3,318.94
Training and Seminars	5,000.00		5,000.00	1,847.13	3,152.87
Auditor	27,500.00		27,500.00	20,275.00	7,225.00
Accounting Fees	25,000.00	(24,140.00)	860.00	854.50	5.50
Engineer Fees	99,800.00	(11,200.00)	88,600.00	82,072.87	6,527.13
Solicitor	37,500.00	(3,000.00)	34,500.00	17,937.58	16,562.42
Litigation	15,500.00	(14,400.00)	1,100.00	135.00	965.00
Solar	10,000.00	(8,000.00)	2,000.00	435.47	1,564.53
WQQA	7,500.00		7,500.00	-	7,500.00
Trustee Fees	7,200.00		7,200.00	2,775.00	4,425.00
Miscellaneous	2,500.00	2,500.00	5,000.00	4,332.69	667.31
Total Other Expenses	424,850.00	(37,540.00)	387,310.00	328,760.00	58,550.00
Total Administration	1,003,098.00	(33,640.00)	969,458.00	893,548.02	75,909.98
Cost of Providing Services:					
Salaries and Wages:					
Plant Salaries	890,500.00		890,500.00	824,233.61	66,266.39
Total Salaries and Wages	890,500.00	-	890,500.00	824,233.61	66,266.39

(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, 2022

	Original Budget	Budget Transfers	Final Budget	2021-22 Actual	Favorable (Unfavorable)
Operating Appropriations (Cont'd):					
Cost of Providing Services (Cont'd):					
Fringe Benefits:					
Pension	$ 115,998.00	$ 22,387.00	$ 138,385.00	$ 138,385.00	-
Social Security	55,877.00		55,877.00	48,804.85	$ 7,072.15
Medicare	13,439.00		13,439.00	11,558.42	1,880.58
Unemployment Insurance	3,537.00		3,537.00	3,216.39	320.61
Health Insurance	312,276.00		312,276.00	290,079.13	22,196.88
Total Fringe Benefits	501,127.00	22,387.00	523,514.00	492,043.78	31,470.22
Other Expenses:					
Utilities	356,500.00	15,000.00	371,500.00	358,412.30	13,087.70
Chemicals	150,000.00	(133,647.00)	16,353.00	12,844.86	3,508.14
Sewerage Treatment Costs	2,803,000.00	(1,400.00)	2,801,600.00	2,716,899.51	84,700.49
Repairs and Maintenance	108,742.00	92,000.00	200,742.00	144,105.73	56,636.27
Vehicle Expenses	96,600.00	12,900.00	109,500.00	109,263.32	236.68
Alarm Monitoring Expenses	18,000.00	1,300.00	19,300.00	19,268.85	31.15
Operations Equipment and Materials	124,700.00	20,000.00	144,700.00	139,120.48	5,579.52
Uniforms	13,200.00		13,200.00	12,444.37	755.63
Safety Compliance	10,000.00	465.00	10,465.00	10,279.06	185.94
Buildings and Grounds	12,000.00	3,400.00	15,400.00	14,722.02	677.98
Generator Repairs	15,000.00	1,235.00	16,235.00	16,232.88	2.12
Total Other Expenses	3,707,742.00	11,253.00	3,718,995.00	3,553,593.38	165,401.62
Total Cost of Providing Services	5,099,369.00	33,640.00	5,133,009.00	4,869,870.77	263,138.23
Principal Payments on Debt Service in Lieu of Depreciation	449,600.00		449,600.00	449,600.00	-
Non-Operating Appropriations:					
Interest on Bonds	69,284.00		69,284.00	69,284.00	-
Renewal & Replacement Reserve	248,444.00		248,444.00		248,444.00
Total Non-Operating Appropriations	317,728.00	-	317,728.00	69,284.00	248,444.00
Total Budget Appropriations	6,869,795.00	-	6,869,795.00	6,282,302.79	587,492.21
Unrestricted Net Position to Balance Budget	-	-	-	-	-
Total Appropriations and Unrestricted Net Position	6,869,795.00	-	6,869,795.00	6,282,302.79	587,492.21
Excess Budgetary Revenues Over Budgetary Appropriations	$ -	$ -	$ -	$ 1,601,316.96	$ 1,601,316.96

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, 2022

	Original Budget	Budget Transfers	Final Budget	2021-22 Actual	Favorable (Unfavorable)
Anticipated Revenues:					
Operating Revenues:					
Service Charges	$ 5,554,300.00		$ 5,554,300.00	$ 5,930,958.16	$ 376,658.16
Connection Fees	120,285.00		120,285.00	567,766.62	447,481.62
Other Operating Revenues:					
Application Fees	2,100.00		2,100.00	2,900.00	800.00
Hydrant Rentals	72,300.00		72,300.00	58,374.97	(13,925.03)
Search Fees	100.00		100.00	262.65	162.65
Sprinkler Systems	31,400.00		31,400.00	6,182.15	(25,217.85)
Meters and Yolks	37,600.00		37,600.00	88,235.77	50,635.77
Water Loan Principal	3,300.00		3,300.00	617.67	(2,682.33)
Water Loan Interest	800.00		800.00	189.84	(610.16)
Other	17,100.00		17,100.00	123,972.29	106,872.29
Total Operating Revenues	5,839,285.00	-	5,839,285.00	6,779,460.12	940,175.12
Non-Operating Revenues:					
Investment Income	29,300.00		29,300.00	2,385.48	(26,914.52)
Total Anticipated Revenues	5,868,585.00	-	5,868,585.00	6,781,845.60	913,260.60
Operating Appropriations:					
Administration					
Salaries and Wages:					
Authority Members	2,375.00		2,375.00	2,375.00	
Office Administration	368,500.00	$ (5,000.00)	363,500.00	352,864.86	10,635.14
Total Salaries and Wages	370,875.00	(5,000.00)	365,875.00	355,239.86	10,635.14
Fringe Benefits:					
Pension	48,002.00	31,987.00	79,989.00	79,989.00	-
Social Security	23,123.00	(2,200.00)	20,923.00	20,660.60	262.40
Medicare	5,561.00		5,561.00	4,894.50	666.50
Unemployment Insurance	1,463.00		1,463.00	1,351.05	111.95
Health Insurance	125,172.00	(3,850.00)	121,322.00	120,535.84	786.16
Total Fringe Benefits	203,321.00	25,937.00	229,258.00	227,431.00	1,827.00
Other Expenses:					
Insurance	75,000.00	11,000.00	86,000.00	85,798.50	201.50
Advertising	1,500.00	1,000.00	2,500.00	1,438.91	1,061.09
Computer Expense	40,000.00	7,000.00	47,000.00	46,706.78	293.22
Dues and Subscriptions	2,500.00		2,500.00	2,342.50	157.50
Office Maintenance Contracts	9,100.00	100.00	9,200.00	9,194.38	5.62
Postage	31,000.00		31,000.00	26,470.39	4,529.61
Office Supplies	28,250.00	(2,000.00)	26,250.00	23,582.99	2,667.01
Training and Seminars	5,000.00	(2,300.00)	2,700.00	1,847.12	852.88
Auditor	27,500.00		27,500.00	20,275.00	7,225.00
Accounting Fees	25,000.00	(24,140.00)	860.00	854.50	5.50
Engineer Fees	75,000.00	(2,700.00)	72,300.00	72,223.75	76.25
Solicitor	37,500.00	(10,100.00)	27,400.00	17,937.63	9,462.37
Litigation	15,500.00	(14,700.00)	800.00	423.00	377.00
Trustee Fees	14,900.00	(6,000.00)	8,900.00	8,325.00	575.00
Solar	10,000.00	(8,000.00)	2,000.00	435.51	1,564.49
WQQA	7,500.00	(7,000.00)	500.00	-	500.00
Miscellaneous	2,500.00	2,500.00	5,000.00	4,280.78	719.22
Total Other Expenses	407,750.00	(55,340.00)	352,410.00	322,136.74	30,273.26
Total Administration	981,946.00	(34,403.00)	947,543.00	904,807.60	42,735.40

(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, 2022

	Original Budget	Budget Transfers	Final Budget	2021-22 Actual	Favorable (Unfavorable)
Operating Appropriations (Cont'd):					
Cost of Providing Services:					
Salaries and Wages:					
Plant Salaries	$ 890,500.00		$ 890,500.00	$ 823,351.34	$ 67,148.66
Total Salaries and Wages	890,500.00	-	890,500.00	823,351.34	67,148.66
Fringe Benefits:					
Pension	115,998.00		115,998.00	115,998.00	-
Social Security	55,877.00		55,877.00	48,208.08	7,668.92
Medicare	13,439.00		13,439.00	11,420.51	2,018.49
Unemployment Insurance	3,537.00		3,537.00	3,152.46	384.54
Health Insurance	316,328.00		316,328.00	281,250.29	35,077.71
Total Fringe Benefits	505,179.00	-	505,179.00	460,029.33	45,149.67
Other Expenses:					
Utilities	466,900.00	$ (14,847.00)	452,053.00	433,130.50	18,922.50
Chemicals	85,000.00	3,100.00	88,100.00	77,147.03	10,952.97
Repairs and Maintenance	115,000.00	(22,900.00)	92,100.00	91,383.62	716.38
Laboratory Fees	55,000.00	(18,150.00)	36,850.00	34,107.02	2,742.98
Meters and Yolks	240,000.00	(1,659.66)	238,340.34	163,789.91	74,550.43
State Water Tax and Allocation Assessment	37,000.00	(2,400.00)	34,600.00	25,096.35	9,503.65
Water Purchases	625,000.00	9,000.00	634,000.00	633,433.95	566.05
Vehicle Expenses	64,400.00	13,800.00	78,200.00	75,965.99	2,234.01
Alarm Monitoring Expenses	12,000.00	5,400.00	17,400.00	17,344.70	55.30
Operations Equipment and Materials	71,800.00	54,109.66	125,909.66	109,156.85	16,752.81
Uniforms	8,800.00	3,000.00	11,800.00	11,344.27	455.73
Safety Compliance	10,000.00		10,000.00	9,526.29	473.71
SCADA Program	35,000.00	(1,600.00)	33,400.00	20,220.00	13,180.00
Buildings and Grounds	8,000.00	5,350.00	13,350.00	12,607.42	742.58
Generator Repairs	10,000.00	1,200.00	11,200.00	11,138.04	61.96
Well Repairs	80,000.00	1,000.00	81,000.00	62,082.45	18,917.55
Total Other Expenses	1,923,900.00	34,403.00	1,958,303.00	1,787,474.39	170,828.61
Total Cost of Providing Services	3,319,579.00	34,403.00	3,353,982.00	3,070,855.06	283,126.94
Principal Payments on Debt Service in Lieu of Depreciation	1,365,400.00	-	1,365,400.00	1,365,400.00	-
Non-Operating Appropriations:					
Interest on Bonds	212,816.00	-	212,816.00	212,816.00	-
Total Non-Operating Appropriations	212,816.00	-	212,816.00	212,816.00	-
Total Budget Appropriations	5,879,741.00	-	5,879,741.00	5,553,878.66	325,862.34
Unrestricted Net Position to Balance Budget	(11,156.00)	-	(11,156.00)	-	(11,156.00)
Total Appropriations and Unrestricted Net Position	5,868,585.00	-	5,868,585.00	5,553,878.66	314,706.34
Excess Budgetary Revenues Over Budgetary Appropriations	$ -	$ -	$ -	$ 1,227,966.94	$ 1,227,966.94

MONROE MUNICIPAL UTILITIES AUTHORITY
Reconciliation of Budgetary Inflows and Outflows with GAAP Revenues and Expenditures
For the Fiscal Year Ended June 30, 2022

Reconciliation to Operating Income

Excess Budgetary Revenues Over Budgetary Appropriations:		
Sewer Utility - Schedule 2	$ 1,601,316.96	
Water Utility - Schedule 3	1,227,966.94	
		$ 2,829,283.90
Add:		
Principal Payments	1,815,000.00	
Interest on Bonds	282,100.00	
Expenditures Capitalized	103,125.41	
Encumbrances	12,967.09	
GASB 68 Pension Benefit	872,825.00	
		3,086,017.50
		5,915,301.40
Less:		
Investment Income	4,539.47	
Depreciation	1,627,930.97	
GASB 75 OPEB Expense	136,903.31	
		1,769,373.75
Operating Income - Schedule 1		$ 4,145,927.65

MONROE MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue Bonds Payable
For the Fiscal Year Ended June 30, 2022

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2022 Date	Amount	Interest Rate	Balance July 1, 2021	Issued	Decreased	Balance June 30, 2022
2010A Revenue Bonds	8/29/10	$ 6,550,000.00	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%	$ 2,635,000.00		$ 480,000.00	$ 2,155,000.00
2010B Refunding Bonds	8/29/10	5,205,000.00				590,000.00		590,000.00	-
2019 Refunding Bonds	7/23/19	5,255,000.00	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%	4,530,000.00		745,000.00	3,785,000.00
						$ 7,755,000.00	$ -	$ 1,815,000.00	5,940,000.00
				Add: Premium on Bonds					294,263.29
									$ 6,234,263.29

MONROE MUNICIPAL UTILITIES AUTHORITY

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

MONROE MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2022

Schedule of Financial Statement Findings

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

No Current Year Findings

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* and with the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Governmental Services, Department of Community Affairs, State of New Jersey.

No Prior Year Findings

35200

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