

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**

**Financial Statements and Supplementary Information**

**For the years ended December 31, 2024 and 2023**

**(With Independent Auditor's Report thereon)**

part 1 of 2

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
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**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Chairman and Members  
of Berkeley Township Municipal Utilities Authority  
County of Ocean  
Berkeley Township, New Jersey

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of the business-type activities of the Berkeley Township Municipal Utilities Authority, a component unit of the Township of Berkeley, County of Ocean, State of New Jersey, as of and for the years ended December 31, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the Berkeley Township Municipal Utilities 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 respective financial position of the business-type activities of the Berkeley Township Municipal Utilities Authority, as of December 31, 2024 and 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 standards prescribed by the Local Finance Board and by the 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 Berkeley Township Municipal Utilities Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter**

##### *Restatement of Prior Year Financial Statements*

We draw attention to Note 13 of the financial statements, which explains that the financial statements for the year ended December 31, 2023, have been restated to correct compensated absences balances and expenses due to the implementation of GASB 101, Compensated Absences. As a result, compensated absences, operating expenses and the respective changes in financial position have been restated to reflect the activity in accordance with generally accepted accounting principles. Our opinion is not modified in respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 Berkeley Township Municipal Utilities Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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, *Government Auditing Standards* and audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 Berkeley Township Municipal Utilities 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 Berkeley Township Municipal Utilities Authority's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

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

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Berkeley Township Municipal Utilities Authority's basic financial statements. The accompanying schedule of expenditures state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and other supplementary information 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information is 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 October 21, 2025 on our consideration of the Berkeley Township Municipal Utilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance.

*Holman Frenia Allison, P.C.*

**HOLMAN FRENIA ALLISON, P.C.**

*Certified Public Accountants*

October 21, 2025  
Lakewood, New Jersey



## **Berkeley Township MUNICIPAL UTILITIES AUTHORITY**

42 Station Road  
Bayville, NJ 08721  
(732) 237-0100  
Fax (732) 237-0638

October 21, 2025

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Berkeley Township Municipal Utilities Authority ("Authority") is a self-supporting water treatment plant and distribution entity proudly serving 3,701 residents and businesses of a bayside community within Berkeley Township, NJ. The treatment plant consists of six rapid sand pressure filters with an automatic flow paced disinfection system. The treated water from three on-site wells is stored in two water storage tanks with a total capacity of 1.4MG. The Authority Board consists of seven residents (five members and two alternates) appointed by the Township who provide management oversight. Each Board Member is appointed to a five year term at staggered intervals. Eight employees service a distribution system of approximately 344,252 linear feet of 6" to 16" diameter mains.

The attached financial statements reflect the results of management's commitment to conservative fiscal planning and performance. We encourage you to visit our website at [www.Berkeleymua.org](http://www.Berkeleymua.org) to review the 2024 Budget which continues to affirm the Board's emphasis to control costs, secure conservative investment income and to designate funds toward water tower maintenance and asset preservation. The most recent Berkeley Township Municipal Utilities Authority Consumer Confidence Report of Water Quality issued during 2024 is also published on this site. We believe these documents honor our mission statement to provide safe, dependable and affordable water to our customers in a manner that protects the public health and environment of our community.

The Management's Discussion and Analysis (MD&A) provides an overview and analysis of the Authority's financial activities for the fiscal year ended December 31, 2024 as compared to the prior year. It should be read in conjunction with the accompanying financial statements.

#### **Financial Statements**

The financial statements included in this report are the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows as of and for the years ended December 31, 2024 and 2023.

The Statements of Net Position shows the financial position of the Authority at December 31<sup>st</sup> of each year. Assets and deferred outflow of resources are compared with liabilities and net position is the result.

The Statement of Revenues, Expenses and Changes in Net Position measure performance for each year and how this performance impacts the net position of the Authority.

Finally, the Statement of Cash Flows demonstrates why cash balances increased or decreased during the two years.



### **Financial Analysis**

At December 31, 2024, the Authority had total assets and deferred outflow of resources of \$31,918,656 compared to \$30,530,438 at December 31, 2023. The increase of \$1,388,218 is primarily due to the activity in cash, purchase of capital assets in relation to the rehabilitation project.

At December 31, 2024, the Authority had total liabilities and deferred inflow of resources of \$18,687,862 compared to \$18,104,099 at December 31, 2023. This increase of \$583,763 is primarily due to financing acquired for rehabilitation project and actuarial adjustments related to GASB Statement's No. 68 and 75.

At December 31, 2024, the Authority had total net position of \$13,230,794 compared to \$12,426,339 at December 31, 2023. This increase of \$804,455 is a result of the Authority's operations for the year ended December 31, 2024.

### **Condensed Financial Information**

Key Authority financial information for the years ended December 31, 2024, 2023 and 2022 includes the following balances:

#### **Financial Position:**

|  | <b>2024</b>          | <b>Restated<br/>2023</b> | <b>2022</b>          |
|--|----------------------|--------------------------|----------------------|
| <b>ASSETS</b>  |                      |                          |                      |
| Current Unrestricted Assets                                | \$ 6,167,536         | \$ 5,277,772             | \$ 5,450,991         |
| Current Restricted Assets                                  | 1,786,453            | 1,876,084                | 1,264,495            |
| Capital Assets   | 18,026,781           | 17,479,401               | 18,260,382           |
| Other Noncurrent assets                                    | 4,292,815            | 4,436,049                | 4,008,224            |
| Total Assets   | <u>30,273,585</u>    | <u>29,069,306</u>        | <u>28,984,092</u>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                       |                      |                          |                      |
| Deferred Outflows Related to Bond Refundings               | 45,326               | 47,215                   | 49,128               |
| Deferred Outflows Related to Other Postemployment Benefits | 1,500,140            | 1,257,825                | 1,469,101            |
| Deferred Outflows Related to Pensions                      | 99,605               | 156,092                  | 268,513              |
| Total Deferred Outflow of Resources                        | <u>1,645,071</u>     | <u>1,461,132</u>         | <u>1,786,742</u>     |
| Total Assets and Deferred Outflow of Resources             | <u>\$ 31,918,656</u> | <u>\$ 30,530,438</u>     | <u>\$ 30,770,834</u> |
| <b>LIABILITIES</b>   |                      |                          |                      |
| Current Liabilities Payable from Unrestricted Assets       | \$ 205,237           | \$ 170,564               | \$ 143,443           |
| Current Liabilities Payable from Restricted Assets         | 2,287,381            | 999,630                  | 1,009,185            |
| Noncurrent Liabilities                                     | 10,669,148           | 10,885,843               | 11,559,773           |
| Total Liabilities  | <u>13,161,766</u>    | <u>12,056,037</u>        | <u>12,712,401</u>    |

**Financial Analysis (continued)****Financial Position (continued):**

| <b>DEFERRED INFLOW OF RESOURCES</b>                               |                      |                      |                      |
|---|----------------------|----------------------|----------------------|
| Deferred Inflows Related to Leasing Arrangements                  | 4,055,643            | 4,375,451            | 4,078,952            |
| Deferred inflows related to non-exchange transactions             | 169,268              | 74,538               | 52,033               |
| Deferred Inflows Related to Bond Refundings                       | 50,000               | 66,000               | 83,000               |
| Deferred Inflows Related to Other Postemployment Benefits         | 1,096,645            | 1,436,832            | 1,671,051            |
| Deferred Inflows Related to Pensions                              | 154,540              | 95,241               | 220,068              |
| Total Deferred Inflow of Resources                                | <u>5,526,096</u>     | <u>6,048,062</u>     | <u>6,105,104</u>     |
| <b>NET POSITION</b>   |                      |                      |                      |
| Net Investment in Capital Assets                                  | 8,313,197            | 8,431,258            | 8,576,137            |
| Restricted  | 1,150,808            | 1,128,546            | 1,108,718            |
| Unrestricted  | <u>3,766,789</u>     | <u>2,866,535</u>     | <u>2,268,474</u>     |
| Total Net Position  | <u>13,230,794</u>    | <u>12,426,339</u>    | <u>11,953,329</u>    |
| Total Liabilities, Deferred Inflow of Resources, and Net Position | <u>\$ 31,918,656</u> | <u>\$ 30,530,438</u> | <u>\$ 30,770,834</u> |

**Other Financial Information**

|                            | <u>2024</u>       | <u>Restated<br/>2023</u> | <u>2022</u>       |
|----------------------------|-------------------|--------------------------|-------------------|
| Total revenues             | \$ 3,180,952      | \$ 2,771,131             | \$ 2,490,010      |
| Total expenses             | <u>2,376,497</u>  | <u>2,298,121</u>         | <u>2,273,327</u>  |
| Change in net position     | <u>\$ 804,455</u> | <u>\$ 473,010</u>        | <u>\$ 216,683</u> |
| User charges               | \$ 2,072,299      | \$ 1,989,256             | \$ 1,984,148      |
| Bond & loan principal paid | \$ 595,702        | \$ 610,765               | \$ 558,936        |
| Bond & loan payable        | \$ 8,423,407      | \$ 9,029,359             | \$ 9,650,373      |

Authority operating revenues had a favorable variance of \$486,013 when compared to the budget for 2024 due primarily to user charges, interest income and water tower rental all being higher than what was actually expected during the current year.

Authority operating expenses had a favorable variance of \$487,222 when compared to the budget for 2024 primarily due to management's continuing efforts to contain costs whenever possible resulting in various expenses being under budget.

The Authority's financial report is designed to provide users of the financial statements with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. The financial statements of the Authority are a matter of public record and may be examined at 42 Station Road, Bayville, New Jersey during business hours or can be viewed at the Authority's website [www.Berkeleymua.org](http://www.Berkeleymua.org).

Respectfully submitted,

  
Michele Nugent  
Executive Director

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Statements of Net Position**  
**December 31, 2024 and 2023**

| <b>ASSETS</b>   | <b>2024</b>          | <i>Restated</i><br><b>2023</b> |
|---|----------------------|--------------------------------|
| <b>Current assets:</b>  |                      |                                |
| <b>Unrestricted assets:</b>   |                      |                                |
| Cash and cash equivalents (Note 3)                                  | \$ 3,228,194         | \$ 1,039,083                   |
| Current portion of lease receivables (Note 12)                      | 144,595              | 171,678                        |
| Investments (Note 4)  | 2,000,000            | 3,500,000                      |
| User fee receivable (Note 5)  | 537,315              | 439,772                        |
| Miscellaneous receivables (Note 5)                                  | 214,578              | 40,674                         |
| Accrued interest receivable (Note 5)                                | 15,539               | 69,094                         |
| Connection fee receivables (Note 5)                                 | 14,608               | 5,443                          |
| Prepaid expenses  | 12,707               | 12,028                         |
| <b>Total current unrestricted assets</b>                            | <u>6,167,536</u>     | <u>5,277,772</u>               |
| <b>Restricted assets:</b>   |                      |                                |
| Cash and cash equivalents (Note 3)                                  | 939,542              | 297,113                        |
| Investments (Note 4)  | 841,000              | 1,541,200                      |
| Accrued interest receivable (Note 5)                                | 5,911                | 37,771                         |
| <b>Total current restricted assets</b>                              | <u>1,786,453</u>     | <u>1,876,084</u>               |
| <b>Total current assets</b>   | <u>7,953,989</u>     | <u>7,153,856</u>               |
| <b>Noncurrent assets (Note 6):</b>                                  |                      |                                |
| Non-depreciable   | 2,184,500            | 842,124                        |
| Capital assets  | 33,269,013           | 33,217,189                     |
| Less: Accumulated depreciation                                      | (17,426,732)         | (16,579,912)                   |
| <b>Capital assets, net</b>  | <u>18,026,781</u>    | <u>17,479,401</u>              |
| Lease receivables, net of current portion (Note 12)                 | 4,292,815            | 4,436,049                      |
| <b>Total noncurrent assets</b>                                      | <u>22,319,596</u>    | <u>21,915,450</u>              |
| <b>Total assets</b>   | <u>30,273,585</u>    | <u>29,069,306</u>              |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                                |                      |                                |
| Deferred outflows related to bond refundings                        | 45,326               | 47,215                         |
| Deferred outflows related to other postemployment benefits (Note 8) | 1,500,140            | 1,257,825                      |
| Deferred outflows related to pensions (Note 9)                      | 99,605               | 156,092                        |
| <b>Total deferred outflow of resources</b>                          | <u>1,645,071</u>     | <u>1,461,132</u>               |
| <b>Total assets and deferred outflow of resources</b>               | <u>\$ 31,918,656</u> | <u>\$ 30,530,438</u>           |

The accompanying notes are an integral part of this statement.

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)  
**Statements of Net Position (continued)**  
**December 31, 2024 and 2023**

|  | <u>2024</u>          | <u>Restated<br/>2023</u> |
|--|----------------------|--------------------------|
| <b>LIABILITIES</b>   |                      |                          |
| Current liabilities payable from unrestricted assets:              |                      |                          |
| Accounts payable   | \$ 96,682            | \$ 53,199                |
| Accounts payable - related to pension (Note 9)                     | 85,438               | 94,771                   |
| Accrued expenses   | 15,513               | 9,340                    |
| Customer overpayments  | 7,604                | 13,254                   |
| Total current liabilities payable from unrestricted assets         | <u>205,237</u>       | <u>170,564</u>           |
| Current liabilities payable from restricted assets:                |                      |                          |
| Developer deposits   | 328,051              | 336,024                  |
| Accrued interest payable on bonds and loans                        | 52,360               | 57,658                   |
| Loans payable, net (Note 7)  | 359,068              | 354,783                  |
| Construction loan payable (Note 7)                                 | 1,285,503            | -                        |
| Revenue bonds payable, net (Note 7)                                | 262,399              | 251,165                  |
| Total current liabilities payable from restricted assets           | <u>2,287,381</u>     | <u>999,630</u>           |
| Total current liabilities  | <u>2,492,618</u>     | <u>1,170,194</u>         |
| Noncurrent liabilities:  |                      |                          |
| Compensated absences   | 129,672              | 119,294                  |
| Long-term portion of revenue bonds payable (Note 7)                | 4,559,027            | 4,821,407                |
| Long-term portion of loans payable (Note 7)                        | 3,242,913            | 3,602,004                |
| Net other postemployment benefits liability (Note 8)               | 1,884,369            | 1,316,074                |
| Net pension liability (Note 9)                                     | 853,167              | 1,027,064                |
| Total noncurrent liabilities                                       | <u>10,669,148</u>    | <u>10,885,843</u>        |
| Total liabilities  | <u>13,161,766</u>    | <u>12,056,037</u>        |
| <b>DEFERRED INFLOW OF RESOURCES</b>                                |                      |                          |
| Deferred inflows related to leasing arrangements (Note 12)         | 4,055,643            | 4,375,451                |
| Deferred inflows related to non-exchange transactions              | 169,268              | 74,538                   |
| Deferred inflows related to bond refundings                        | 50,000               | 66,000                   |
| Deferred inflows related to other postemployment benefits (Note 8) | 1,096,645            | 1,436,832                |
| Deferred inflows related to pensions (Note 9)                      | 154,540              | 95,241                   |
| Total deferred inflow of resources                                 | <u>5,526,096</u>     | <u>6,048,062</u>         |
| <b>NET POSITION</b>  |                      |                          |
| Net investment in capital assets                                   | 8,313,197            | 8,431,258                |
| Restricted:  |                      |                          |
| Debt service   | 217,252              | 214,990                  |
| Bond Reserve   | 413,556              | 413,556                  |
| Capital  | 520,000              | 500,000                  |
| Unrestricted:  |                      |                          |
| Reserved by board designation                                      | 1,290,000            | 1,190,000                |
| Unreserved   | 2,476,789            | 1,676,535                |
| Total net position   | <u>13,230,794</u>    | <u>12,426,339</u>        |
| Total liabilities, deferred Inflow of resources, and net position  | <u>\$ 31,918,656</u> | <u>\$ 30,530,438</u>     |

The accompanying notes are an integral part of this statement.

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the years ended December 31, 2024 and 2023**

|  | 2024                 | <i>Restated</i><br>2023 |
|--|----------------------|-------------------------|
| Operating revenues:                        |                      |                         |
| Water user charges                         | \$ 2,072,299         | \$ 1,989,256            |
| Interest and penalties on user fees        | 27,760               | 29,781                  |
| Connection fees                            | 246,345              | 99,905                  |
| Application fees and permits               | -                    | 40                      |
| Other operating revenue                    | 64,888               | 5,504                   |
| Total operating revenues                   | <u>2,411,292</u>     | <u>2,124,486</u>        |
| Operating expenses:                        |                      |                         |
| Cost of providing services                 | 774,960              | 649,009                 |
| Administrative expenses                    | 548,003              | 570,210                 |
| Depreciation expense                       | 846,820              | 860,186                 |
| Total operating expenses                   | <u>2,169,783</u>     | <u>2,079,405</u>        |
| Operating income                           | <u>241,509</u>       | <u>45,081</u>           |
| Non-operating revenues (expenses):         |                      |                         |
| Water tower rental                         | 313,813              | 262,934                 |
| Interest income                            | 268,908              | 214,338                 |
| Interest income from leasing arrangements  | 186,939              | 167,259                 |
| Interest expense/amortization expense, net | (206,714)            | (218,716)               |
| Donated capital                            | -                    | 2,114                   |
| Total non-operating revenues (expenses)    | <u>562,946</u>       | <u>427,929</u>          |
| Net income                                 | 804,455              | 473,010                 |
| Net position, January 1                    | <u>12,426,339</u>    | <u>11,953,329</u>       |
| Net position, December 31                  | <u>\$ 13,230,794</u> | <u>\$ 12,426,339</u>    |

The accompanying notes are an integral part of this statement. 11

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**

|  | <b>2024</b>                | <i>Restated</i><br><b>2023</b> |
|--|----------------------------|--------------------------------|
| <b>Cash flows from operating activities:</b>                     |                            |                                |
| Cash received from service users                                 | \$ 2,058,457               | \$ 2,137,194                   |
| Cash paid to suppliers   | (1,283,319)                | (1,193,223)                    |
| Cash paid to employees   | (61,940)                   | (103,521)                      |
| Cash received from others  | 64,888                     | 5,504                          |
| Net cash flows from operating activities                         | <u>778,086</u>             | <u>845,954</u>                 |
| <b>Cash flows from capital and related financing activities:</b> |                            |                                |
| Principal paid on long-term debt used for capital assets         | (595,702)                  | (610,765)                      |
| Interest paid on long-term debt used for capital assets          | (222,263)                  | (222,779)                      |
| Construction loan payable proceeds                               | 1,285,503                  | -                              |
| Acquisition and construction of capital assets                   | (1,394,200)                | (77,092)                       |
| Net cash flows from capital and related financing activities     | <u>(926,662)</u>           | <u>(910,636)</u>               |
| <b>Cash flows from investing activities:</b>                     |                            |                                |
| Purchase of investments  | (8,162,500)                | (6,829,200)                    |
| Maturity of investments  | 10,287,541                 | 3,071,179                      |
| Cash received on non-operating water tower rental                | 313,813                    | 262,934                        |
| Interest on investments, deposits, and lease receivables         | 541,262                    | 288,634                        |
| Net cash from investing activities                               | <u>2,980,116</u>           | <u>(3,206,453)</u>             |
| <b>Total change in cash and cash equivalents</b>                 | <b>2,831,540</b>           | <b>(3,271,135)</b>             |
| <b>Cash and cash equivalents, January 1</b>                      | <b>1,336,196</b>           | <b>4,607,331</b>               |
| <b>Cash and cash equivalents, December 31</b>                    | <b><u>\$ 4,167,736</u></b> | <b><u>\$ 1,336,196</u></b>     |
| <b>Reconciliation to Statements of Net Position:</b>             |                            |                                |
| Current unrestricted assets:                                     |                            |                                |
| Cash and cash equivalents  | \$ 3,228,194               | \$ 1,039,083                   |
| Current restricted assets:                                       |                            |                                |
| Cash and cash equivalents  | 939,542                    | 297,113                        |
| Cash and cash equivalents, December 31                           | <u>\$ 4,167,736</u>        | <u>\$ 1,336,196</u>            |

The accompanying notes are an integral part of this statement.

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Statements of Cash Flows (continued)**  
**For the years ended December 31, 2024 and 2023**

|  | <u>2024</u>       | <u>Restated<br/>2023</u> |
|--|-------------------|--------------------------|
| <b>Reconciliation of operating income to cash flows from operating activities:</b>           |                   |                          |
| Operating income   | \$ 241,509        | \$ 45,081                |
| <b>Adjustments to reconcile operating loss to net cash provided by operating activities:</b> |                   |                          |
| Depreciation expense   | 846,820           | 860,186                  |
| Amortization to lease receivables  | 171,817           | 175,322                  |
| Pension liability expense - GASB 68  | (58,111)          | (51,571)                 |
| OPEB liability (benefit)/expense - GASB 75   | (14,207)          | (74,740)                 |
| <b>Change in assets and liabilities:</b>   |                   |                          |
| Accounts receivable  | (97,543)          | 184,303                  |
| Miscellaneous receivables  | (120,349)         | (75,018)                 |
| Connection fee receivables   | (9,165)           | (3,853)                  |
| Prepaid expenses   | (679)             | 4,715                    |
| Due from NJIB  | -                 | 2,350                    |
| Accounts payable   | 34,150            | 20,559                   |
| Accrued expenses   | 6,173             | 722                      |
| Leasing arrangements   | (313,814)         | (303,001)                |
| Deferred inflows related to non-exchange transactions  | 94,730            | 22,505                   |
| Customer overpayments  | (5,650)           | 5,840                    |
| Compensated absences   | 10,378            | 22,790                   |
| Developer deposits   | (7,973)           | 9,764                    |
| Total adjustments  | <u>536,577</u>    | <u>800,873</u>           |
| Net Cash From Operating Activities   | <u>\$ 778,086</u> | <u>\$ 845,954</u>        |

**Noncash Investing, capital, and financing Activities:**

During the years ended December 31, 2024 and 2023, noncash capital contributions received were \$-0- and \$2,114 respectively.



**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Berkeley Township Municipal Utilities Authority (hereafter referred to as the "Authority"), a component unit of the Township of Berkeley (the "Township"), County of Ocean, State of New Jersey 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, a public body, corporate and politically organized and existing under the Municipal Utilities Authority Law, constituting Chapter 183 of the Pamphlet Laws of 1957, as amended and supplemented, was created by virtue of ordinance number 88-4-OAB of the Township in the County of Ocean, State of New Jersey, on January 18, 1988.

The Authority owns a water supply and distribution system which services portions of the Township within the franchise area as more fully set forth in the Water Supply Master Plan as adopted by the Authority.

The Authority's basic financial statements include all accounts of the Authority's operations. The Authority consists of five members and two alternates, who are appointed by resolution of the Township Committee for five-year staggered terms.

**Component Unit**

The Authority is considered to be a component unit of the Township under GAAP however, the Township does not follow GAAP for accounting and financial reporting purposes rather it follows a regulatory basis of accounting, utilizing accounting principles which differ, in some cases significantly, from GAAP. Of particular note is the exclusion from the Township's financial statements of potential component units, based on the separate legal status of these units. Accordingly, the financial statements of the Township do not include the Authority as a component unit.

**Basis of Presentation**

The financial statements of the Authority have been prepared on the accrual basis of accounting and in accordance with GAAP applicable to enterprise funds of State and Local Governments on a going concern basis.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, accountability or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities and deferred inflow or outflow of resources associated with the operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt, restricted and unrestricted components.

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)  
Notes to Financial Statements (continued)

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 service charges are recognized as revenue when services are provided. Connection fees are collected in advance and, accordingly, the Authority defers these revenues until the municipality issues a release for certificate of occupancy and determines that water distribution is being provided to the properties.

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 are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

**Expenses:**

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

**Budgets and Budgetary Accounting**

The Authority must adopt an annual budget in accordance with *N.J.A.C. 5:31-2*. *N.J.A.C. 5:31-2* requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current fiscal year and to adopt no later than the beginning of the Authority's fiscal year. The governing body may amend the budget at any point during the year by resolution of the Board of Authorities. The budgetary basis of accounting is utilized to determine the Authority has sufficient cash to operate and pay debt service. As such, certain items such as bond payments are included in budgetary expenses while depreciation is not included.

The legal level of budgetary control is established at the detail shown on the comparative statements 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 year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements (continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents include cash in banks and may include petty cash and change funds. It may also include 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 Authorities are required by *N.J.S.A. 40A:5-14* to deposit public funds into 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 of America or State of New Jersey or the New Jersey Cash Management Fund. *N.J.S.A. 40A:5-15.1* provides a list of securities which may be purchased by New Jersey Authorities. The Authority is required by *N.J.S.A. 17:9-41* to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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 GUDPA. 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.

**Prepaid Expenses**

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

**Lease Receivables**

The Authority's lease receivables are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Authority may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment are received.

A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**Capital Assets**

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets purchased are stated at cost. Assets contributed by developer's are valued at estimated fair market value as of the date of contribution. Costs incurred for construction projects are recorded as construction in progress. In the year that the project is completed, these costs are transferred to capital assets. The Authority has set capitalization thresholds for reporting capital assets of \$3,000.

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements (continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets (continued)**

Depreciation is determined on a straight-line basis for all capital assets. Depreciation was provided over the following estimated useful lives:

| <u>Description:</u>             | <u>Useful Lives</u> |
|---------------------------------|---------------------|
| Water plant                     | 40 Years            |
| Improvement other than building | 5 – 40 Years        |
| Furniture and fixtures          | 7 Years             |
| Machinery and equipment         | 3 – 10 years        |
| Vehicles                        | 5 Years             |

**Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Compensated Absences**

Compensated absences represent amounts to which employees are entitled to based on accumulated leave earned in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated sick and vacation leave in the event of retirement from service at the current salary. Compensated absences are included in the accrued expenses on the Statement of Net Position.

**Unearned Revenue**

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

**Deferred Inflows Related to Non-exchange Transactions**

The Authority receives payments for connection fees when new users connect to the water system. Since the Authority does not supply the user with supplies or services to make the physical connection, this would be considered a nonexchange transaction and recorded as deferred inflow related to non-exchange transactions under deferred inflows of resources. The Authority recognizes the revenue in the period that the user exercises their right to connect to the system.

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements (continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Bond Discounts/Bond Premium**

Bond discounts and bond premiums are deferred and amortized over the term of the bonds. Bond discounts are presented as a reduction of the face amount of the revenue loan payable. Bond premium is presented as an addition to loan payable.

**Loan Discounts/Loan Premium**

Loan discounts and loan premiums are deferred and amortized over the term of the loans. Loans discounts are presented as a reduction of the face amount of the loans payable. Loan premiums are presented as an addition to loans payable.

**Pension & Other Post-Employment Benefits Section**

For purposes of measuring the net pension and other post-employment benefits liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits, and pension and other post-employment benefits expenses, information about the fiduciary net position of the Public Employees' Retirement System ("PERS"), the Other Post-Employment Benefits ("OPEB") and additions to/deductions from the PERS's and OPEB's fiduciary net position have been determined on the same basis as they are reported by the plan. For these purposes, 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.

**Net Position**

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

**Net Investment in Capital Assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, 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.

**Restricted Net Position** – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** – All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

**Income Taxes**

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

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)  
Notes to Financial Statements (continued)

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Operating and Non-Operating Revenues and Expenses**

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. Non-operating revenues primarily consist of water tower rental and interest income on investments of securities. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. Non-operating expenses primarily include expenses attributable to the Authority's interest on debt and sales of capital assets.

**Use of Estimates**

The process of preparing financial statements in conformity with GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amount.

**Impact of Recently Issued Accounting Pronouncements**

*Adopted Accounting Pronouncements*

GASB has issued the following statements which became effective as of December 31, 2024 are as shown below:

- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement 62*.
- Statement No. 101, *Compensated Absences*.

Implementation of these standards had a material impact on the Authority's financial statements, see Note 13 for additional information.

*Accounting Pronouncements Effective in Future Reporting Periods*

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 102, *Certain Risk Disclosures*. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.
- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

Management has not yet determined the potential impact on the Authority's financial statements.

**Subsequent Events**

The Authority has evaluated subsequent events occurring after December 31, 2024 through October 21, 2025, which is the date the financial statements were available to be issued.

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements (continued)**

**NOTE 2: REQUIRED ACCOUNTS AND DEBT SERVICE COVERAGE**

The Authority is subject to the provisions and restrictions of the Bond Resolution adopted July 22, 1993 and supplemental resolutions thereto. A summary of the activities of each fund (account) created by the Bond Resolution is covered below.

Debt Service Fund – The balance on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds, principal amounts of bonds maturing and sinking fund installments when such payments are required.

Bond Reserve Fund – The amount of funds on deposit must be maintained at a level equal to the maximum Debt Service to insure funds are available for payment of debt service.

Renewal and Replacement Fund (Capital) – 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.

General Fund – All excess funds of the Authority are recorded in the General Account. If the Authority is not in default in the payment of the principal of, or interest on, or redemption price of bonds and all fund requirements are satisfied, funds in excess of the amounts reasonably required to be reserved for payment of bonds or necessary reconstruction of the system may be withdrawn by the Authority for any lawful purpose.

The Bond Resolution adopted July 22, 1993 and supplemental resolutions thereto require the establishment and funding of certain funds (accounts) as follows:

|                           | <u>Amount<br/>Required</u> | <u>Balance at<br/>Year End</u> | <u>Excess or<br/>(Deficiency)</u> |
|---------------------------|----------------------------|--------------------------------|-----------------------------------|
| Debt Resolution Reserves: |                            |                                |                                   |
| Debt Service Fund         | \$ 217,252                 | \$ 846,986                     | \$ 629,734                        |
| Bond Reserve Fund         | \$ 413,556                 | \$ 413,556                     | \$ -                              |
| Capital Fund (R&R)        | \$ 520,000                 | \$ 520,000                     | \$ -                              |

**NOTE 3: CASH AND CASH EQUIVALENTS**

The Authority is governed by the deposit and investment limitations of New Jersey state law. The deposits held at December 31, 2024 and 2023, and reported at fair value are as follows:

|  | <u>2024</u>        | <u>2023</u>        |
|--|--------------------|--------------------|
| <b>Deposits:</b>                                     |                    |                    |
| Demand Deposits                                      | <u>\$4,167,736</u> | <u>\$1,336,196</u> |
| Total deposits                                       | <u>\$4,167,736</u> | <u>\$1,336,196</u> |
|  | <u>2024</u>        | <u>2023</u>        |
| <b>Reconciliation to Statements of Net Position:</b> |                    |                    |
| Current unrestricted assets:                         |                    |                    |
| Cash and Cash Equivalents                            | \$3,228,194        | \$1,039,083        |
| Current restricted assets:                           |                    |                    |
| Cash and Cash Equivalents                            | <u>939,542</u>     | <u>297,113</u>     |
| Total deposits                                       | <u>\$4,167,736</u> | <u>\$1,336,196</u> |

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements (continued)**

**NOTE 3: CASH AND CASH EQUIVALENTS (continued)**

**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 GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Authority in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Authority relative to the happening of a future condition. If the Authority had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2024 and 2023, the Authority's bank balances were insured or exposed to credit risk as follows:

|   | <u>2024</u>        | <u>2023</u>        |
|---|--------------------|--------------------|
| Insured by FDIC   | \$ 500,000         | \$ 500,000         |
| Uninsured and Collateralized with securities held by the pledging bank's trust department                                 | 802,505            | 604,644            |
| Uninsured and Collateralized with securities held by the pledging banks' trust department but not in the Authority's name | <u>2,864,897</u>   | <u>237,831</u>     |
| Total   | <u>\$4,167,402</u> | <u>\$1,342,475</u> |

**NOTE 4: INVESTMENTS**

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

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has several certificates of deposits (CD's) that have FDIC insurance. The Authority has FDIC insured investments of \$250,000 and \$250,000 as of December 31, 2024 and 2023, respectively. Additionally, the Authority has several certificates of deposits (CD's) that are covered under GUDPA insurance. The Authority has GUDPA insured investments of \$2,591,000 and \$4,791,200 as of December 31, 2024 and 2023, respectively. All investments are held in the name of the Authority. As of December 31, 2024 and 2023, the Authority had the following investments and maturities:



**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements (continued)**

**NOTE 4: INVESTMENTS (continued)**

**Custodial Credit Risk (continued)**

| <u>Investment</u>      | <u>Credit Rating</u> | <u>Maturities</u>        | <u>Fair Value Hierarchy Level</u> | <u>Fair Value December 31, 2024</u> | <u>Fair Value December 31, 2023</u> |
|------------------------|----------------------|--------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| Certificate of Deposit | NR                   | Varies                   | Level II                          | \$ 250,000                          | \$ 250,000                          |
|                        |                      | FDIC Insured Investments |                                   | \$ 250,000                          | \$ 250,000                          |

| <u>Investment</u>      | <u>Credit Rating</u> | <u>Maturities</u>         | <u>Fair Value Hierarchy Level</u> | <u>Fair Value December 31, 2024</u> | <u>Fair Value December 31, 2023</u> |
|------------------------|----------------------|---------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| Certificate of Deposit | NR                   | Varies                    | Level II                          | \$ 2,591,000                        | \$ 4,791,200                        |
|                        |                      | GUDPA Insured Investments |                                   | 2,591,000                           | 4,791,200                           |
|                        |                      | Total                     |                                   | \$ 2,841,000                        | \$ 5,041,200                        |

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by *N.J.S.A. 40A:5-15.1*, the Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure; however, investments are matched with anticipated cash flows to minimize interest rate risk.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by *N.J.S.A. 40A:5-15.1*, the Authority's investment policies place no limit on the amount the Authority may invest in any one issuer.

**Credit Risk**

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

**NOTE 5: ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2024 and 2023 consisted of the following:

|                                       | <u>2024</u>       | <u>2023</u>       |
|---------------------------------------|-------------------|-------------------|
| Accounts receivable – billed          | \$ 537,315        | \$ 439,772        |
| Accounts receivable – other           | 214,578           | 40,674            |
| Accounts receivable – interest        | 21,450            | 106,865           |
| Accounts receivable – connection fees | 14,608            | 5,443             |
|                                       | <u>\$ 787,951</u> | <u>\$ 592,754</u> |

The Authority believes that all receivables are collectible and has not established an allowance for doubtful accounts.

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)  
**Notes to Financial Statements (continued)**

**NOTE 6: CAPITAL ASSETS, NET**

The activity in capital assets for the year ended December 31, 2024 is as followed:

|  | Balance<br>December 31,<br>2023 | Additions | Retirements<br>and<br>Transfers | Balance<br>December 31,<br>2024 |
|--|---------------------------------|-----------|---------------------------------|---------------------------------|
| Capital assets:  |                                 |           |                                 |                                 |
| Capital assets not being depreciated:                                      |                                 |           |                                 |                                 |
| Land   | \$ 195,351                      | \$ -      | \$ -                            | \$ 195,351                      |
| Construction in progress   | 646,773                         | 1,342,376 | -                               | 1,989,149                       |
| Total capital assets not being depreciated                                 | 842,124                         | 1,342,376 | -                               | 2,184,500                       |
| Capital assets being depreciated:  |                                 |           |                                 |                                 |
| Improvements other than building   | 28,037,659                      | 47,395    | -                               | 28,085,054                      |
| Machinery and equipment  | 183,956                         | -         | -                               | 183,956                         |
| Furniture and fixtures   | 48,482                          | 4,429     | -                               | 52,911                          |
| Water plant  | 4,653,053                       | -         | -                               | 4,653,053                       |
| Vehicles   | 294,039                         | -         | -                               | 294,039                         |
| Total capital assets being depreciated                                     | 33,217,189                      | 51,824    | -                               | 33,269,013                      |
| Total capital assets   | 34,059,313                      | 1,394,200 | -                               | 35,453,513                      |
| Less: accumulated depreciation:  | (16,579,912)                    | (846,820) | -                               | (17,426,732)                    |
| Total capital assets being depreciated,<br>net of accumulated depreciation | 16,637,277                      | (794,996) | -                               | 15,842,281                      |
| Total capital assets, net  | 17,479,401                      | 547,380   | -                               | 18,026,781                      |

The activity in capital assets for the year ended December 31, 2023 is as followed:

|  | Balance<br>December 31,<br>2022 | Additions | Retirements<br>and<br>Transfers | Balance<br>December 31,<br>2023 |
|--|---------------------------------|-----------|---------------------------------|---------------------------------|
| Capital assets:  |                                 |           |                                 |                                 |
| Capital assets not being depreciated:                                      |                                 |           |                                 |                                 |
| Land   | \$ 195,351                      | \$ -      | \$ -                            | \$ 195,351                      |
| Construction in progress   | 607,529                         | 39,244    | -                               | 646,773                         |
| Total capital assets not being depreciated                                 | 802,880                         | 39,244    | -                               | 842,124                         |
| Capital assets being depreciated:  |                                 |           |                                 |                                 |
| Improvements other than building   | 27,997,697                      | 39,962    | -                               | 28,037,659                      |
| Machinery and equipment  | 183,956                         | -         | -                               | 183,956                         |
| Furniture and fixtures   | 52,876                          | -         | (4,394)                         | 48,482                          |
| Water plant  | 4,653,053                       | -         | -                               | 4,653,053                       |
| Vehicles   | 294,039                         | -         | -                               | 294,039                         |
| Total capital assets being depreciated                                     | 33,181,621                      | 39,962    | (4,394)                         | 33,217,189                      |
| Total capital assets   | 33,984,501                      | 79,206    | (4,394)                         | 34,059,313                      |
| Less: accumulated depreciation:  | (15,724,120)                    | (860,186) | 4,394                           | (16,579,912)                    |
| Total capital assets being depreciated,<br>net of accumulated depreciation | 17,457,501                      | (820,224) | -                               | 16,637,277                      |
| Total capital assets, net  | 18,260,381                      | (780,980) | -                               | 17,479,401                      |

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements (continued)**

**NOTE 7: LONG-TERM LIABILITIES**

During the years ended December 31, 2024 and 2023, the following changes occurred in long-term obligations:

|  | Balance<br>December 31,<br><u>2023</u> | Accrued/<br><u>Increases</u> | Retired/<br><u>Decreases</u> | Balance<br>December 31,<br><u>2024</u> | Due within<br><u>One Year</u> |
|--|--|------------------------------|------------------------------|--|-------------------------------|
| Revenue bonds payable:                         |  |                              |                              |  |                               |
| Revenue bonds payable                          | \$ 4,941,399                           | \$ -                         | \$ 245,898                   | \$ 4,695,501                           | \$ 257,151                    |
| Unamortized bond premium                       | <u>131,173</u>                         | <u>-</u>                     | <u>5,248</u>                 | <u>125,925</u>                         | <u>5,248</u>                  |
| Revenue bonds payable, net                     | <u>5,072,572</u>                       | <u>-</u>                     | <u>251,146</u>               | <u>4,821,426</u>                       | <u>262,399</u>                |
| Loans payable:                                 |  |                              |                              |  |                               |
| Loans payable                                  | 3,847,232                              | -                            | 349,804                      | 3,497,428                              | 354,335                       |
| Unamortized loans payable                      | <u>109,555</u>                         | <u>-</u>                     | <u>5,002</u>                 | <u>104,553</u>                         | <u>4,733</u>                  |
| Loans payable, net                             | <u>3,956,787</u>                       | <u>-</u>                     | <u>354,806</u>               | <u>3,601,981</u>                       | <u>359,068</u>                |
| Construction loans payable:                    |  |                              |                              |  |                               |
| Construction loans payable                     | <u>-</u>                               | <u>1,285,503</u>             | <u>-</u>                     | <u>1,285,503</u>                       | <u>1,285,503</u>              |
| Construction loans payable                     | <u>-</u>                               | <u>1,285,503</u>             | <u>-</u>                     | <u>1,285,503</u>                       | <u>1,285,503</u>              |
| Compensated absences *                         | 119,294                                | 10,378                       | -                            | 129,672                                | -                             |
| Net other postemployment<br>benefits liability | 1,316,074                              | 568,295                      | -                            | 1,884,369                              | -                             |
| Net pension liability                          | <u>1,027,064</u>                       | <u>-</u>                     | <u>173,897</u>               | <u>853,167</u>                         | <u>-</u>                      |
| Total  | <u>\$ 11,491,791</u>                   | <u>\$ 1,864,176</u>          | <u>\$ 779,849</u>            | <u>\$ 12,576,118</u>                   | <u>\$ 1,906,970</u>           |
|  | Balance<br>December 31,<br><u>2022</u> | Accrued/<br><u>Increases</u> | Retired/<br><u>Decreases</u> | Balance<br>December 31,<br><u>2023</u> | Due within<br><u>One Year</u> |
| Revenue bonds payable:                         |  |                              |                              |  |                               |
| Revenue bonds payable                          | \$ 5,181,037                           | \$ -                         | \$ 239,638                   | \$ 4,941,399                           | \$ 245,917                    |
| Unamortized bond premium                       | <u>136,420</u>                         | <u>-</u>                     | <u>5,247</u>                 | <u>131,173</u>                         | <u>5,248</u>                  |
| Revenue bonds payable, net                     | <u>5,317,457</u>                       | <u>-</u>                     | <u>244,885</u>               | <u>5,072,572</u>                       | <u>251,165</u>                |
| Loans payable:                                 |  |                              |                              |  |                               |
| Loans payable                                  | 4,218,359                              | -                            | 371,127                      | 3,847,232                              | 349,804                       |
| Unamortized loans payable                      | <u>114,557</u>                         | <u>-</u>                     | <u>5,002</u>                 | <u>109,555</u>                         | <u>4,979</u>                  |
| Loans payable, net                             | <u>4,332,916</u>                       | <u>-</u>                     | <u>376,129</u>               | <u>3,956,787</u>                       | <u>354,783</u>                |
| Compensated absences *                         | 96,504                                 | 22,790                       | -                            | 119,294                                | -                             |
| Net other postemployment<br>pension liability  | 1,367,871                              | -                            | 51,797                       | 1,316,074                              | -                             |
| Net pension liability                          | <u>1,066,229</u>                       | <u>-</u>                     | <u>39,165</u>                | <u>1,027,064</u>                       | <u>-</u>                      |
| Total  | <u>\$ 12,180,977</u>                   | <u>\$ 22,790</u>             | <u>\$ 711,976</u>            | <u>\$ 11,491,791</u>                   | <u>\$ 605,948</u>             |

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements (continued)**

**NOTE 7: LONG-TERM LIABILITIES (continued)**

\* The prior year balance as of December 31, 2023 has been restated to align with the current year's GASB 101: *Compensated Absences* implementation requirements.

**Net Other Postemployment Benefits Liability and Net Pension Liability**

For details on the net other postemployment benefits liability and net pension liability see the Other Postemployment Benefits and Pension Obligations in Note 8 and Note 9, respectively. The Authority's annual required contribution to the Other Postemployment Benefits and Public Employees' Retirement System is budgeted and paid on an annual basis.

**Compensated Absences**

For the years ended December 31, 2024 and 2023, the Authority accrued compensated absences in the amount of \$129,612 and \$119,294, respectively.

**Loans Payable**

|   | <u>2024</u> | <u>2023</u> |
|---|-------------|-------------|
| The 2007A NJEIT Trust fund loans are due in semi-annual principal installments of \$40,953 to \$105,347 through August 1, 2026, at zero percent interest.               | \$ 143,819  | \$ 247,378  |
| The 2015A-R1 refunding loan is due in annual principal installments of \$86,000 to \$138,000 through August 1, 2027 at 2.28%.   | 395,000     | 514,000     |
| The 2014A NJEIT Trust loans are due in annual principal installments of \$5,000 to \$15,000 through August 1, 2033, at interest rates ranging from 3.0% to 5.0%.        | 95,000      | 105,000     |
| The 2014A NANO NJEIT Trust loans are due in annual principal installments of \$11,409 to \$16,414 through August 1, 2033, at interest rates ranging from 0.2% to 3.35%. | 131,232     | 143,960     |
| The 2014A NANO NJEIT Trust fund loans are due in semi-annual principal installments of \$4,237 to \$8,475 through August 1, 2033, at zero percent interest.             | 114,407     | 127,119     |
| The 2014A NJEIT Trust fund loans are due in semi-annual principal installments of \$9,107 to \$18,215 through August 1, 2033, at zero percent interest.                 | -           | 68          |

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements (continued)**

**NOTE 7: LONG-TERM LIABILITIES (continued)**

**Loans Payable (continued)**

|  |                     |                     |
|--|---------------------|---------------------|
| The 2017A NANO NJEIT Trust loans are due in annual principal installments of \$5,000 to \$15,000 through September 1, 2046, at interest rates ranging from 3.0% to 5.0%.   | 215,000             | 220,000             |
| The 2017A NANO NJEIT Trust fund loans are due in semi-annual principal installments of \$2,809 to \$5,618 through August 1, 2046, at zero percent interest.                | 185,393             | 193,820             |
| The 2017A NJEIT Trust loans are due in annual principal installments of \$5,000 to \$10,000 through September 1, 2046, at interest rates ranging from 3.0% to 5.0%.        | 170,000             | 175,000             |
| The 2017A NJEIT Trust fund loans are due in semi-annual principal installments of \$6,756 to \$13,512 through August 1, 2046, at zero percent interest.                    | 445,900             | 466,168             |
| The 2018A NANO NJEIT Trust fund loans are due in semi-annual principal installments of \$1,766 to \$3,533 through August 1, 2042, at zero percent interest                 | 95,388              | 100,688             |
| The 2018A NANO NJEIT Trust loans are due in semi-annual principal installments of \$5,000 to \$10,000 through August 1, 2042, at interest rates ranging from 3.0% to 5.0%. | 100,000             | 105,000             |
| The 2021A NJEIT Trust loans are due in semi-annual principal installments of \$900 to \$1,800 through August 1, 2049, at zero percent interest.                            | 71,289              | 74,031              |
| The 2021A NJEIT Trust loans are due in semi-annual principal installments of \$5,000 to \$10,000 through August 1, 2042, at interest rates ranging from 3.0% to 5.0%.      | <u>1,335,000</u>    | <u>1,375,000</u>    |
| Subtotal   | <u>3,497,428</u>    | <u>3,847,232</u>    |
| Less: current portion including current portion of unamortized bond premium  | (359,068)           | (354,783)           |
| Add: total unamortized bond premium  | <u>104,553</u>      | <u>109,555</u>      |
| Loans payable – long-term portion  | <u>\$ 3,242,913</u> | <u>\$ 3,602,004</u> |

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements (continued)**

**NOTE 7: LONG-TERM LIABILITIES (continued)**

On November 8, 2007, the Authority borrowed \$3,910,813 through the New Jersey Environmental Infrastructure Trust. The "Fund" (Federal Funds) portion of the 2007A Issue, \$1,865,813, was issued with no interest rate. The loans mature semi-annually from August 1, 2008 through August 1, 2026 at maturities ranging from \$40,953 to \$105,347.

The "Trust" (State Funds) portion of the 2007A Issue, \$2,045,000, mature annually from August 1, 2008 through 2027 at annual maturities ranging from \$113,000 to \$138,000 and bear interest at rates ranging from 4.00% to 5.00%. The trust portion of the 2007 issue was refunded during the year ended December 31, 2015 to the 2015A-R1 refunding loan.

On May 22, 2014, the Authority borrowed \$1,680,007 through the New Jersey Environmental Infrastructure Trust. The "Fund" (Federal Funds) portion of the 2014A Issue, \$510,007, was issued with no interest rate. The "Fund" (Federal Funds) portion of the 2014A NANO Issue, \$250,000, was issued with no interest rate. The principal forgiveness portion of the 2014A NANO Issue, \$500,000 was issued with no interest rate. The entire \$500,000 was recognized as NJEIT debt forgiveness revenue as of December 31, 2014 since revenue is realized in the year allowable costs have been approved. The remaining loans mature semi-annually from August 1, 2014 through August 1, 2033 at maturities ranging from \$4,237 to \$18,215.

The "Trust" (State Funds) portion of the 2014A Issue, \$170,000, mature annually from August 1, 2014 through 2033 at annual maturities ranging from \$5,000 to \$15,000 and bear interest at rates ranging from 3.00% to 5.00%. The "Trust" (State Funds) portion of the 2014A NANO Issue, \$250,000, mature annually from August 1, 2014 through 2033 at annual maturities ranging from \$10,800 to \$15,488 and bear interest at rates ranging from 0.2% to 3.35%.

In 2015, the 2007A "Trust" loans were refunded to the 2015A-R1 Issue, \$1,306,000, mature annually from August 1, 2016 through 2027 at annual maturities ranging from \$86,000 to \$138,000 and bear interest rates ranging from 2.28% to 3.32%.

On November 10, 2015, the Authority issued Series 2015A-R1 NJEIT Refunding Bonds in the amount of \$1,306,000. The proceeds of this issuance were utilized to refund the 2007 NJEIT trust loan outstanding. The Refunding Bonds issued resulted in a net gain on refunding of \$160,000 in the current year and the refunding is expected to produce a net savings of approximately \$197,046 over the life of the new bond series. The \$160,000 gain on refunding is recognized as a deferred inflow of resources and will be amortized over the life of the loan.

On May 25, 2017, the Authority borrowed \$1,806,289 through the New Jersey Environmental Infrastructure Trust. The "Fund" portion of the 2017A Issue, \$601,289, was issued with no interest rate. The "Fund" portion of the 2017A NANO Issue, \$250,000, was issued with no interest rate. The principal forgiveness portion of the 2017A NANO Issue, \$500,000 was issued with no interest rate.

The entire \$500,000 was recognized as NJEIT debt forgiveness revenue as of December 31, 2017 since revenue is realized in the year allowable costs have been approved. The remaining "Trust" portions of the 2017A and 2017A Nano Issue, \$455,000 mature semi-annually from September 1, 2018 through September 1, 2046 at maturities ranging from \$5,000 to \$15,000.

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
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**Notes to Financial Statements (continued)**

**NOTE 7: LONG-TERM LIABILITIES (continued)**

On May 22, 2018, the Authority borrowed \$522,151 through the New Jersey Environmental Infrastructure Trust. The "Fund" Portion of the 2018A Issue, \$392,151, was issued with no interest rate. The principal forgiveness portion of the 2018A "Fund," \$261,434 was recognized issued with no interest rate. The entire \$261,464 was recognized as NJEIT debt forgiveness revenue as of December 31, 2018 since revenue is realized in the year allowable costs have been approved. The remaining "Trust" Portion of the 2018A Issue, \$130,000 mature annually from August 1, 2018 through August 1, 2042, at maturities ranging from \$5,000 to \$15,000.

On June 10, 2021, the Authority issued Revenue Bonds, Series 2021 A-1 trust loan and fund loan to the New Jersey Infrastructure Bank, in the amount of \$1,455,000 and \$81,343, respectively. The amounts deposited with the trustee include \$117,505 of a bond premium. Interest rates range from 5.00% to 2.00% for the trust loan bonds and 0% for the fund loan bonds. The trust loan and fund loan bonds mature on August 1, 2050 at maturities ranging from \$2,739 to \$60,000. The bonds were issued for the construction of Well No. 4, Phase II.

Schedule of annual debt service for principal and interest for loans payable, over the next five years and five-year increments thereafter are as follows:

| <b>Fiscal Year(s) Ending<br/>December 31,</b> | <b><u>Principal</u></b> | <b><u>Interest</u></b> | <b><u>Total</u></b> |
|---|-------------------------|------------------------|---------------------|
| 2025  | \$ 354,335              | \$ 63,460              | \$ 417,795          |
| 2026  | 301,743                 | 54,032                 | 355,775             |
| 2027  | 271,143                 | 44,357                 | 315,500             |
| 2028  | 133,526                 | 34,246                 | 167,772             |
| 2029  | 138,934                 | 31,166                 | 170,100             |
| Thereafter                                    | <u>2,297,747</u>        | <u>234,676</u>         | <u>2,532,423</u>    |
| Total   | <u>\$ 3,497,428</u>     | <u>\$ 461,937</u>      | <u>\$ 3,959,365</u> |

**Construction Loan Payable**

To finance the rehabilitation construction project, the Authority began drawing on a construction loan issued by the New Jersey Infrastructure Bank (NJIB) in 2024. Loan proceeds are being utilized as construction progresses. As of December 31, 2024 and 2023, the outstanding loan balances were \$1,285,503 and \$-0-, respectively. The full amount is currently classified as a current liability. Upon finalization of repayment terms, a portion of the balance is expected to be reclassified as long-term debt.

**BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)**  
**Notes to Financial Statements (continued)**

**NOTE 7: LONG-TERM LIABILITIES (continued)**

**Revenue Bonds Payable**

Revenue bonds payable at December 31, 2024 and 2023 consist of the following:

|   | <u>2024</u>         | <u>2023</u>         |
|---|---------------------|---------------------|
| \$1,685,000 Water Revenue Bonds (Series 2003) are due in semi-annual installments of \$38,031 including interest through May 1, 2043, at an interest rate of 3.25%                      | \$ 1,050,501        | \$ 1,091,399        |
| \$6,020,000 Water Revenue Refunding Bonds (Series 2012) are due in semi-annual installments of \$38,031 including interest through November 1, 2048, at interest rates of 2.0% to 4.0%. | <u>3,645,000</u>    | <u>3,850,000</u>    |
| Subtotal  | 4,695,501           | 4,941,399           |
| Less: current portion including current portion of unamortized bond premium   | (262,399)           | (251,165)           |
| Add: total unamortized bond premium   | <u>125,925</u>      | <u>131,173</u>      |
| Loans payable – long-term portion   | <u>\$ 4,559,027</u> | <u>\$ 4,821,407</u> |

Revenue bonds outstanding as of December 31, 2024 are shown as followed:

| Fiscal Year(s) Ending<br>December 31, | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|---------------------------------------|---------------------|---------------------|---------------------|
| 2025                                  | \$ 257,151          | \$ 155,948          | \$ 413,099          |
| 2026                                  | 263,642             | 148,114             | 411,756             |
| 2027                                  | 270,072             | 140,084             | 410,156             |
| 2028                                  | 281,549             | 131,857             | 413,406             |
| 2029                                  | 288,074             | 123,282             | 411,356             |
| Thereafter                            | <u>3,334,013</u>    | <u>734,785</u>      | <u>4,069,798</u>    |
| Total                                 | <u>\$ 4,695,501</u> | <u>\$ 1,434,069</u> | <u>\$ 6,129,571</u> |

On December 11, 2012, the Authority refunded debt with an issuance of \$6,020,000. Series 1995A, Series 1995B, Series 1999, Series 2000, Series 2009A and Series 2009B were refunded. Series 1993 was advanced refunded as well with redemption in January of 2013. The refunding will produce a net savings of approximately \$1,548,000 for the Authority over the life of the new bond series.

**NOTE 8: OTHER POSTEMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. 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>.