LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

REPORT OF AUDIT

FOR THE FISCAL YEARS ENDED

JANUARY 31, 2021 AND 2020

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
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LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Roster of Officials
Janauary 31, 2021

The following officials were in office during the period under audit:

Members	Position
Russell D. Burke	Chairman
Edward Hill	Vice-Chairman
William Drew	Secretary/Treasurer
Ray Guy	Board Member
Brian Toliver	Board Member

Other Officials	
Christopher M. Whalen	Superintendent
Carly J. Schultz	Business Manager
Hoffman & DiMuzio	Solicitor
Kleinfelder East, Inc.	Engineer

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

PART I

FINANCIAL SECTION

FOR THE FISCAL YEARS ENDED JANUARY 31, 2021 AND 2020

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
Logan Township Municipal Utilities Authority
Logan Township, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Logan Township Municipal Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the Township of Logan (Authority), as of and for the fiscal years ended January 31, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Logan Township Municipal Utilities Authority, in the County of Gloucester, State of New Jersey as of January 31, 2021 and 2020, and the changes in its financial position and its cash flows thereof for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

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31600

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
April 22, 2022

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

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
Logan Township Municipal Utilities Authority
Logan Township, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Logan Township Municipal Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the Township of Logan, (Authority), as of and for the fiscal year ended January 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 22, 2022.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
April 22, 2022

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JANUARY 31, 2021 AND 2020
(UNAUDITED)

The Logan Township Municipal Utilities Authority, hereafter referred to as "Authority" is pleased to present the Annual Financial Report developed in accordance with Governmental Accounting Standard No. 34, entitled "Basic Financial Statements-Management's Discussion and Analysis - For State and Local Governments" (hereafter "GASB 34"), and related standards.

MISSION

The mission of the Authority is to provide the communities we serve with essential wastewater collection and treatment services. Our professional and highly motivated staff strives to maintain the highest standards of public health and safety while protecting our precious water resources, wildlife and environment. It is our goal to achieve these objectives in a manner that demonstrates integrity, responsibility and economically sound practices.

RESPONSIBILITY AND CONTROL

The Authority has prepared, and is responsible for, the financial statements and related information in this report. The opinion of the independent auditors, Bowman & Company LLP is included in this report. In management's opinion, the financial statements present fairly, in all material aspects, the financial position, results of operations and cash flows of the Authority for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

The following provides management's analysis of the Authority's financial condition for the fiscal year. This information should be read in conjunction with the financial statement.

SUMMARY OF ORGANIZATION AND BUSINESS

The Logan Township Municipal Utilities Authority is a public body corporate and politic of the State of New Jersey and was created by Ordinance No. 4-1972, adopted on December 13, 1972 by the governing body of the Township of Logan (the "Township") in the County of Gloucester, State of New Jersey pursuant to the Municipal and County Utilities Authority Law.

The Authority was created for the purpose of construction and operating a sanitary sewerage system for the proper collection and treatment of domestic and industrial wastewater generated within the Township of Logan. In July 2000, the Authority entered into a Sewer Service Agreement to accept wastewater from areas in Woolwich Township located within the boundaries of the Authority's Wastewater Management Planning Area (as may be amended) as endorsed by the Authority's Resolution dated December 20, 1994 endorsing the Woolwich Wastewater Management Plan dated April 1994, as approved by Woolwich Township Resolution No. R-94-80 dated December 19, 1994 (Service Area).

The Authority has broad powers including, among others, the following: to hold, operate and administer its property, to provide for bonds and to secure the payment and rights of holders thereof, to charge and collect user charges for the use of its facilities and to revise such user charges to ensure that revenues of the Authority will at all times be adequate to pay all operating and maintenance expenses including reserves, insurance, extensions and replacements, and to pay the principal of and interest on any bonds and to maintain such reserves or sinking funds that may be required by the terms of the contract of the Authority; and to make and enforce rules and regulations of the management of its business and affairs. Projects necessary to maintain and or upgrade the plant and collection system are continually being evaluated to meet the expectations in the mission statement.

MANAGEMENT OVERSIGHT

The governing body of the Authority consists of five board members who are appointed for five-year terms. All members are appointed on a staggered basis by the Mayor and Logan Township Council.

DESCRIPTION OF THE COLLECTION AND TREATMENT SYSTEM

The Authority operates and maintains approximately 30 miles of sewer mains. The sewage collection system contains 13 pumping stations, several force mains, and gravity pipelines, which deliver wastewater to their two million gallons per day water reclamation facility.

The Authority has sewer service agreements with all of its industrial waste dischargers which specify what they can and cannot discharge into the sewer system. These legal agreements are frequently revised to reflect any regulatory changes. Industries are required to pay their "Fair Share" of the Authority's operating costs so they are "Surcharged" to pay for any excess organic loadings sent to the treatment plant. The Authority will surcharge customers for excess flow.

The water reclamation facility is comprised of two (2) one million gallons per day and one (1) half million gallons per day secondary treatment plants. Wastewater enters the plant from pump stations and the wastewater is screened followed by grit and FOG removal prior to undergoing biological treatment.

After biological treatment, the biomass settles and the clear top layer of water undergoes ultra-violet disinfection before being discharged to the Delaware River. Excess biomass generated by the treatment system is incinerated at an off-site facility. The Regulatory Agencies require that all biological treatment facilities be operated by licensed personnel. The Authority currently employs two state certified licensed operators to operate the Authority's facilities. The Authority's superintendent, Christopher Whalen, is the licensed operator. Terrence Kucenski and Robert Hawkins have the licenses to be the back-up operator in his absence.

WATER SUPPLY

The Authority is not the water purveyor for Logan and Woolwich Townships. In Logan Township, potable water is provided by New Jersey American Water Co. and in Woolwich Township by Aqua New Jersey.

FINANCIAL ANALYSIS OF THE AUTHORITY

The Authority's total net position was $26,863,949.35 as of January 31, 2021. Total assets, deferred outflows of resources, total liabilities, deferred inflows of resources and total net position are detailed below:

Statements of Net Position
As of January 31, 2021, 2020 and 2019

	2021	2020	2019	Change from 2020 to 2021 Amount	Percentage
Assets:					
Unrestricted Assets	$ 14,494,625.08	$ 13,693,276.09	$ 11,552,155.70	$ 801,348.99	5.85%
Restricted Assets	11,294,344.31	1,472,055.11	3,208,743.79	9,822,289.20	667.25%
Capital Assets	17,817,904.64	18,032,243.21	16,684,422.71	(214,338.57)	-1.19%
Total Assets	43,606,874.03	33,197,574.41	31,445,322.20	10,409,299.62	31.36%
Deferred Outflows of Resources:					
Related to Pensions	469,396.00	529,654.00	456,465.00	(60,258.00)	-11.38%
Related to Other Post-Employment Benefits	2,823,563.00	-	-	2,823,563.00	--- %
Total Deferred Outflows of Resources	3,292,959.00	529,654.00	456,465.00	2,763,305.00	521.72%
Liabilities:					
Current Liabilities	10,647,682.47	751,594.36	1,085,347.76	9,896,088.11	1316.68%
Long-term Liabilities	7,761,533.21	5,835,065.20	5,989,950.19	1,926,468.01	33.02%
Total Liabilities	18,409,215.68	6,586,659.56	7,075,297.95	11,822,556.12	179.49%
Deferred Inflows of Resources:					
Related to Pensions	711,798.00	771,390.00	813,334.00	(59,592.00)	-7.73%
Related to Other Post-Employment Benefits	914,870.00	-	-	914,870.00	--- %
Total Deferred Inflows of Resources:	1,626,668.00	771,390.00	813,334.00	855,278.00	110.87%
Net Position:					
Net Investment in Capital Assets	13,163,609.95	13,205,492.22	11,638,668.52	(41,882.27)	-0.32%
Restricted	2,217,375.40	2,194,964.41	2,151,356.15	22,410.99	1.02%
Unrestricted	11,482,964.00	10,968,722.22	10,223,130.58	514,241.78	4.69%
Total Net Position	$ 26,863,949.35	$ 26,369,178.85	$ 24,013,155.25	$ 494,770.50	1.88%

FINANCIAL ANALYSIS OF THE AUTHORITY (CONT'D)

The Authority realized operating income of $684,959.08 for the current fiscal year. Combined with net non-operating expenses of ($190,188.58); net position increased by $494,770.50. Major components of this change along with a comparison of the previous two fiscal year's activity are shown below.

Statements of Revenue, Expenses and Changes in Net Position
For The Fiscal Years Ended January 31, 2021, 2020 and 2019

				Change from 2020 to 2021	
	2021	2020	2019	Amount	Percentage
Operating Revenues:					
Utility Service Charges	$ 3,284,380.39	$ 3,953,319.58	$ 3,024,107.56	$ (668,939.19)	-16.92%
Other Operating Revenues	616,613.97	1,245,182.60	1,206,854.58	(628,568.63)	-50.48%
	3,900,994.36	5,198,502.18	4,230,962.14	(1,297,507.82)	-24.96%
Operating Expenses:					
Administration:					
Salaries and Wages	182,705.64	160,753.78	149,677.04	21,951.86	13.66%
Fringe Benefits	177,778.28	92,057.54	82,927.13	85,720.74	93.12%
Other Expenses	298,329.57	368,496.77	262,284.15	(70,167.20)	-19.04%
Cost of Providing Services:					
Salaries and Wages	456,909.69	446,209.81	421,752.33	10,699.88	2.40%
Fringe Benefits	397,972.51	190,961.15	171,006.77	207,011.36	108.40%
Other Expenses	1,123,047.71	1,066,166.73	959,625.22	56,880.98	5.34%
Depreciation	579,291.88	577,840.54	564,711.57	1,451.34	0.25%
	3,216,035.28	2,902,486.32	2,611,984.21	313,548.96	10.80%
Operating Income	684,959.08	2,296,015.86	1,618,977.93	(1,611,056.78)	-70.17%
Non-operating Revenue (Expenses)	(190,188.58)	60,007.74	(231,451.78)	(250,196.32)	-416.94%
Change in Net Position, Before Capital Contributions	494,770.50	2,356,023.60	1,387,526.15	(1,861,253.10)	-79.00%
Capital Contributions	-	-	507,179.00	-	--- %
Change in Net Position	494,770.50	2,356,023.60	1,894,705.15	(1,861,253.10)	-79.00%
Net Position February 1	26,369,178.85	24,013,155.25	22,118,450.10	2,356,023.60	9.81%
Net Position January 31	$ 26,863,949.35	$ 26,369,178.85	$ 24,013,155.25	$ 494,770.50	1.88%

OVERALL ANALYSIS

The Authority's net position as of January 31, 2021 is $26,863,949.35. This is an increase of $494,770.50 over the prior year representing a 1.18% increase.

The population of the Authority's service area is growing. The Authority has stabilized the sewer service cost at $380/equivalent domestic unit per year since 2008. The Authority also offers discounts for senior citizens, veterans, and disabled ratepayers.

Revenues budgeted for the fiscal year ended January 31, 2021 totaled $3,437,160.00, which is an increase of $170,306.00 from the amount budgeted for the fiscal year ended January 31, 2020. The Authority's total actual revenues were $3,959,473.64, which is a 15.20% positive revenue variance versus the amount budgeted and is a decrease of $1,287,848.94 from the prior year. Actual total operating expenses were $2,463,519.98, which is an increase of $69,460.36 from the prior year and is 18.21% less than the budgeted amount.

OVERALL ANALYSIS (CONT'D)

The Authority's current treatment plant capacity is two and one-half million gallons per day or 10,653 equivalent domestic units. There are 7,907 units connected and 1,475 units have been reserved by various developers, who pay a monthly fee for this right. Included in the above units, the Authority allocated 87 units for an approved COAH project in Woolwich Township. In 2006, the Authority upgraded the organic loading capacity of plants #1 and #2, which enabled them to connect an additional 1,333 units. The connection fees collected from these units covered the cost of the $3.3 million dollar project upgrades. The Authority is has completed the EFT-1 plant expansion, which provides an additional 500,000 gallons per day treatment capacity, equating to an additional 1,667 units.

Revenues for sewer service charges and unused capacity were budgeted at $2,968,910.00. Actual revenues for the fiscal year ended January 31, 2021 were $3,176,690.39, which was a positive variance of $207,780.39 or 7.00% over budget.

Hauled-in waste, surcharges and fines, all exceeded the amount budgeted. Investment revenues and various miscellaneous revenues resulted in a favorable variance when compared to the budgeted amounts. All of the budgeted amounts in these revenue categories for the fiscal year ended January 31, 2021 were based on prior year revenues, and other considerations, to give a conservative projection of revenues.

Operating expenses were less than projected due mainly to successful management of personnel services and other expenses. The Authority was able to work within its budget and still accomplish all its goals for the year.

The Authority's capital improvement program contains several projects projected in future years and or authorized during the current and prior years. Projects to be completed and projected are the, Pump Station #12 Upgrade, Headworks Upgrade, Effluent Pump Station & Force main project, Jefferson Lane reconstruction project.

CAPITAL ASSETS

The Logan Township Municipal Utilities Authority investment in capital assets as of January 31, 2021 amounts to $17,817,904.64 (net of accumulated depreciation). This investment in capital assets is listed below with more detailed information available in the notes to the financial statements, note 3.

Land & Land Improvements	$ 336,795.50
Vehicles	334,773.00
Equipment & Furnishings	2,916,123.42
Buildings & Improvements	4,430,499.80
Infrastructure	17,381,663.29
Construction in Progress	1,073,660.70
Total Capital Assets	26,473,515.71
Less: Accumulated Depreciation	8,655,611.07
Capital Assets, Net	$ 17,817,904.64

LONG-TERM DEBT

The Authority issued Sewer System Revenue Bonds, Series 2018, dated May 22, 2018. The 2018 Bonds were issued to fund improvements to the Authority's water reclamation system, fund a deposit to the Bond Reserve Fund and pay certain costs related to the issuance of the 2018 Bonds. The Bonds were issued originally for $4,995,000.00 and carried interest rates ranging from 3.0% to 5.0%. The final maturity of the 2018 Bonds is May 1, 2033.

On May 28, 2019, the Authority adopted Resolution 29-19 entitled Resolution Authorizing Application for a Loan from the New Jersey Environmental Infrastructure Financing Program. The Authority has filed an application with the New Jersey Department of Environmental Protection and the New Jersey Infrastructure Bank for the Logan Township Municipal Utilities Authority Facility Improvements and Effluent FM Replacement Project S340123-02. The application was submitted with an approximate cost of $9,400,000.00 and is expected to change during the application process, but not to exceed $11,000,000.00.

On November 18, 2020, the Authority obtained note financing from the Water Bank Construction Financing Program of the New Jersey Infrastructure Bank in the amount of $9,948,000.00. Permanent financing is anticipated to be finalized in 2022, with an anticipated 20-year loan.

FINAL COMMENTS

The Authority has budgeted its expenses and revenues conservatively in the past and will continue to do so in the future. Maintaining or lowering customer rates and providing quality service are the primary goals of the Board, Management and Staff. Constant internal monitoring of financial data ensures that these goals will be achieved.

CONTACTING THE AUTHORITY

This financial report is designed to provide the Authority's customers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability of the money it receives. If you have any questions about this report or need additional financial information, contact the business Manager or the Board of Commissioners of Logan Township Municipal Utilities Authority. You can mail your questions to 69 Jefferson Lane, Logan Township, NJ 08085 or submit your questions on the Authority's website at http://www.loganmua.com.

BASIC FINANCIAL STATEMENTS

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Statements of Net Position
As of January 31, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Unrestricted Assets:		
Revenue and Operating Fund:		
Cash and Cash Equivalents	$ 14,087,877.61	$ 13,128,124.47
Consumer Accounts Receivable, Net of Allowance for Doubtful Accounts of $4,471.19 in 2021 and $4,560.39 in 2020	362,120.07	520,338.29
Other Accounts Receivable	2,705.00	4,589.02
Prepaid Expenses	41,922.40	40,224.31
Total Unrestricted Assets	14,494,625.08	13,693,276.09
Restricted Assets:		
Cash and Cash Equivalents	1,444,839.31	1,472,055.11
Cash Held by Fiscal Agent	4,924,752.50	-
Due from State of New Jersey -- NJDEP Fund Receivable	4,924,752.50	-
Total Restricted Assets	11,294,344.31	1,472,055.11
Total Current Assets	25,788,969.39	15,165,331.20
Noncurrent Assets:		
Capital Assets:		
Construction in Progress	1,073,660.70	7,956,541.36
Capital Assets (Net of Accumulated Depreciation)	16,744,243.94	10,075,701.85
Total Noncurrent Assets	17,817,904.64	18,032,243.21
Total Assets	43,606,874.03	33,197,574.41
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	469,396.00	529,654.00
Related to Other Post-Employment Benefits	2,823,563.00	-
Total Deferred Outflows of Resources	3,292,959.00	529,654.00

(Continued)

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Statements of Net Position
As of January 31, 2021 and 2020

	2021	2020
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	$ 115,703.12	$ 194,083.96
Accounts Payable - Related to Pensions	82,558.00	68,709.00
Accrued Liabilities	-	24,525.29
Payroll Deductions Payable	201.59	-
Prepaid Sewer Rents	16,245.93	14,558.24
Total Current Liabilities Payable from Unrestricted Assets	214,708.64	301,876.49
Current Liabilities Payable from Restricted Assets:		
Accounts Payable	37,127.48	39,537.79
Accrued Interest	38,423.44	41,073.44
New Jersey Infrastructure Note Payable	9,948,000.00	-
Revenue Bonds Payable - Current Portion	275,000.00	265,000.00
Developers Deposits	134,422.91	104,106.64
Total Current Liabilities Payable from Restricted Assets	10,432,973.83	449,717.87
Total Current Liabilities	10,647,682.47	751,594.36
Long-term Liabilities:		
Net Pension Liability	1,230,683.00	1,272,772.00
Other Post-Employment Benefit Liability	2,239,019.00	-
Accrued Liabilities - Related to Pensions	48,159.00	40,080.00
Revenue Bonds Payable	4,243,672.21	4,522,213.20
Total Long-term Liabilities:	7,761,533.21	5,835,065.20
Total Liabilities	18,409,215.68	6,586,659.56
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	711,798.00	771,390.00
Related to Other Post-Employment Benefits	914,870.00	-
Total Deferred Inflows of Resources	1,626,668.00	771,390.00
NET POSITION		
Net Investment in Capital Assets	13,163,609.95	13,205,492.22
Restricted:		
Restricted for Bond Resolution	2,200,093.13	2,178,880.63
Unemployment Compensation	17,282.27	16,083.78
Unrestricted	11,482,964.00	10,968,722.22
Total Net Position	$ 26,863,949.35	$ 26,369,178.85

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

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Statements of Revenue, Expenses and Changes in Net Position
For the Fiscal Years Ended January 31, 2021 and 2020

	2021	2020
Operating Revenues:		
Utility Service Charges	$ 3,284,380.39	$ 3,953,319.58
Other Operating Revenues	616,613.97	1,245,182.60
	3,900,994.36	5,198,502.18
Operating Expenses:		
Administration:		
Salaries and Wages	182,705.64	160,753.78
Fringe Benefits	177,778.28	92,057.54
Other Expenses	298,329.57	368,496.77
Cost of Providing Services:		
Salaries and Wages	456,909.69	446,209.81
Fringe Benefits	397,972.51	190,961.15
Other Expenses	1,123,047.71	1,066,166.73
Depreciation	579,291.88	577,840.54
	3,216,035.28	2,902,486.32
Operating Income	684,959.08	2,296,015.86
Non-operating Revenue (Expenses):		
Investment Income Net of Fees	16,169.74	175,994.39
Non-Operating Revenue	58,601.22	47,316.12
Interest Expense	(152,802.79)	(163,302.77)
Construction Expenditures	(13,661.75)	-
Debt Issue Costs	(98,495.00)	-
Change in Net Position	494,770.50	2,356,023.60
Net Position Beginning of Fiscal Year	26,369,178.85	24,013,155.25
Net Position End of Fiscal Year	$ 26,863,949.35	$ 26,369,178.85

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

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Statements of Cash Flows
For the Fiscal Years Ended January 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Receipts from Customers and Users	$ 4,060,900.27	$ 5,265,580.73
Payments to Suppliers	(1,766,376.00)	(1,715,728.87)
Payments to Employees	(663,939.03)	(604,727.58)
Other Operating Receipts	1,884.02	(3,444.02)
Net Cash Provided by Operating Activities	1,632,469.26	2,941,680.26
Cash Flows from Non-Capital Financing Activities:		
Net Developers Escrow Deposits	30,316.27	(32,930.06)
Miscellaneous Non-operating Receipts	58,601.22	47,316.12
Net Cash provided by Non-Capital Financing Activities	88,917.49	14,386.06
Cash Flows from Capital and Related Financing Activities:		
Bond Principal Paid on Debt	(265,000.00)	(255,000.00)
Construction Expenditures	(243,417.79)	(2,167,914.22)
Additions to Fixed Assets	(137,607.58)	(77,398.84)
Interest Paid on Debt	(158,993.78)	(169,393.78)
Net Cash Used in Capital and Related Financing Activities	(805,019.15)	(2,669,706.84)
Cash Flows from Investing Activities:		
Investment Income	16,169.74	175,994.41
Net Cash Provided by Investing Activities	16,169.74	175,994.41
Net Increase in Cash and Cash Equivalents	932,537.34	462,353.89
Cash and Cash Equivalents, Beginning of Fiscal Year February 1,	14,600,179.58	14,137,825.69
Cash and Cash Equivalents, End of Fiscal Year January 31,	$ 15,532,716.92	$ 14,600,179.58
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	$ 684,959.08	$ 2,296,015.86
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation Expense	579,291.88	577,840.54
Pension (Benefit) Expense - GASB 68	(19,495.00)	8,385.00
Other Post-Employment Liability Expense - GASB 75	330,326.00	-
Changes in Assets and Liabilities:		
(Increase) Decrease in Consumer Accounts Receivable	158,218.22	63,620.68
(Increase) Decrease in Other Accounts Receivable	1,884.02	(3,444.02)
(Increase) Decrease in Prepaid Expenses	(1,698.09)	(2,254.48)
Increase (Decrease) in Accounts Payable	(78,380.84)	(4,177.20)
Increase (Decrease) in Accrued Liabilities	(24,525.29)	2,236.01
Increase (Decrease) in Payroll Deductions Payable	201.59	-
Increase (Decrease) in Sewer Rent Overpayments	1,687.69	3,457.87
Total Adjustments	947,510.18	645,664.40
Net Cash Provided by Operating Activities	$ 1,632,469.26	$ 2,941,680.26

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Logan Township Municipal Utilities Authority is a public body corporate and politic of the State of New Jersey and was created by Ordinance No. 4-1972, adopted on December 13, 1972 by the governing body of the Township of Logan (the "Township") in the County of Gloucester, State of New Jersey pursuant to the Municipal and County Utilities Authority.

The Authority was created for the purpose of constructing, maintaining and operating sewerage collection and treatment facilities for the relief of waters in, bordering or entering the areas within the territorial boundaries of the Township from pollution or threatened pollution and for the improvement of conditions affecting the public health. The Authority currently provides sewerage collection and treatment service to all residences and businesses within the Township and a portion of Woolwich Township. The Authority also provides sewerage treatment service for hauled in waste.

The Authority consists of five board members who are appointed by resolution of the Township Council for five-year terms. The Authority's Superintendent manages the daily operations of the Authority with the assistance of the Business Manager.

Component Unit

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

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

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

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

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

Basis of Presentation

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

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

Basis of Accounting

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

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Sewer service charges are recognized as revenue when services are provided. Connection fees are collected in advance and, accordingly, the Authority defers these revenues until the municipality issues a release for certificate of occupancy and determines that sewage collection services are 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 is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

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

Budgets and Budgetary Accounting

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

The legal level of budgetary control is established at the detail shown on the 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 did not adopt an amending budget resolution during the fiscal year.

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

Budgets and Budgetary Accounting (Cont'd)

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

Cash, Cash Equivalents and Investments

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

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

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

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

Inventories

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

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

Prepaid Expenses

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

Capital Assets

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

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

Expenditures are capitalized when they meet the following requirements:

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

Depreciation

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

	Years
Buildings and Improvements	40
Infrastructure	40-60
Other Equipment	5-20
Vehicles	5

Bond Premiums

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place. At fiscal year end, the Authority has no compensated absences liability.

Unearned Revenue

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

Pensions

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

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

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

Net Position

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

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

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

Net Position (Cont'd)

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

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

Income Taxes

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

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from sewer service charges, delinquent penalties, surcharge fees and fines. Non-operating revenues principally consist of tower rent, miscellaneous fees and interest income earned on various interest-bearing accounts and investments.

Operating expenses include general administrative expenses and expenses associated with the operation and maintenance of providing sewerage collection and treatment services. Non-operating expenses principally include expenses attributable to the Authority's construction and renewal and replacements expenditures and contributions to the Township of Logan.

Accounting Estimates

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

Impact of Recently Issued Accounting Policies

Recently Issued and Adopted Accounting Pronouncements

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of this Statement had no impact on the Authority's financial statements.

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

Impact of Recently Issued Accounting Policies (Cont'd)

Recently Issued and Adopted Accounting Pronouncements (Cont'd)

Statement No. 90, *Major Equity Interests.* The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The adoption of this Statement had no impact on the Authority's financial statement.

Recently Issued Accounting Pronouncements

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

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement originally would have become effective for the Authority in the fiscal year ending January 31, 2021, but as a result of GASB Statement 95 will become effective in the fiscal year ending January 31, 2023. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies accounting for interest cost incurred before the end of a construction period. This Statement originally would have become effective for the Authority in the fiscal year ending January 31, 2021, but as a result of GASB Statement 95 will become effective in the fiscal year ending January 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement originally would have become effective for the Authority in the fiscal year ending January 31, 2022, but as a result of GASB Statement 95 will become effective in the fiscal year ending January 31, 2023. Management has not yet determined the impact of this Statement on the financial statements.

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

1. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
2. The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 originally would have become effective for the Authority in the fiscal year ending January 31, 2022, but as a result of GASB Statement 95 will become effective in the fiscal year ending January 31, 2023.

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

Impact of Recently Issued Accounting Policies (Cont'd)

Recently Issued Accounting Pronouncements (Cont'd)

3. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities originally would have become effective for the Authority in the fiscal year ending January 31, 2022, but as a result of GASB Statement 95 will become effective in the fiscal year ending January 31, 2023.
4. The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition originally would have become effective for the Authority in the fiscal year ending January 31, 2022, but as a result of GASB Statement 95 will become effective in the fiscal year ending January 31, 2023.

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

Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. This Statement will become effective for the Authority in the fiscal year ending January 31, 2022. GASB Statement 95 changed the effective date for paragraphs 13 and 14 to the fiscal year ending January 31, 2023. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The Statement will become effective for the Authority in the fiscal year ending January 31, 2024. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 96, *Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Statement will become effective for the Authority in the fiscal year ending January 31, 2024. Management does not expect this Statement will have an impact on the financial statements.

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

Impact of Recently Issued Accounting Policies (Cont'd)

Recently Issued Accounting Pronouncements (Cont'd)

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The portions of the statement effect component unit criteria are effective immediately, but the other portions of the Statement will become effective for the Authority in the fiscal year ending January 31, 2023. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 98, *The Annual Comprehensive Financial Report* This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement will become effective for the Authority in the fiscal year ending January 31, 2022. Management does not expect this Statement will have an impact on the financial statements.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

General Bond Resolution
The Authority is subject to the provisions and restrictions of the General Bond Resolution adopted November 21, 2017. A summary of the activities of each account created by the Bond Resolution is covered below.

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

Operating Fund – The fund is maintained to pay the Authority's operating expenses. The balance on deposit must be equal to at least 25% of the annual appropriation for operating expenses. At January 31, 2021, the balance in restricted net position of $774,252.50 meets the requirements of the Bond Resolution.

Bond Service Fund - The balance on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds, principal amount maturing on bonds and sinking fund installments when such payments are required. At January 31, 2021, the balance in the bond service fund meets the requirements of the Bond Resolution.

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. At January 31, 2021, the balance in the bond reserve fund meets the requirements of the Bond Resolution.

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

General Bond Resolution (Cont'd)

Renewal and Replacement Fund - 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. The amount on deposit must equal the Renewal and Replacement Requirement which is currently $1,000,000.00. At January 31, 2021, the balance in the renewal and replacement account meets the requirements of the Bond Resolution.

Construction Fund - This account was established in accordance with Section 401 of the Bond Resolution. The Construction Fund is held by the Trustee and is used to pay the cost of the project and is pledged, pending application to such costs, for the security of the payment of principal and interest on the Authority's Revenue Bonds.

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 bond principal or interest and all fund requirements are satisfied, the Authority may use the excess funds for any lawful purpose.

Debt Service Coverage

Section 610 of the 2018 Bond Resolution requires certain ratios of Net Revenues to Debt Service. Compliance with this covenant is calculated as follows:

	2021		2020	
Net Revenues:				
Operating Income (Exhibit B)	$ 684,959.08		$ 2,296,015.86	
Adjusted by:				
Interest Income	16,169.74		175,994.39	
Non-Operating Revenue	58,601.22		47,316.12	
Depreciation Expense	579,291.88		577,840.54	
Net Pension Adjustment	(19,495.00)		8,385.00	
Net OPEB Adjustment	330,326.00		-	
Net Revenues	$ 1,649,852.92		$ 3,105,551.91	
Debt Service (Note 4)				
Interest Charges	$ 148,193.76		$ 158,993.76	
Bond Principal	275,000.00		265,000.00	
Debt Service	$ 423,193.76		$ 423,993.76	
Net Revenues	$ 1,649,852.92	390%	$ 3,105,551.91	732%
Debt Service	$ 423,193.76		$ 423,993.76	

Note 3: DETAIL NOTES - ASSETS

Cash and Cash Equivalents

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

As of January 31, 2021 and 2020, the Authority's bank balances were exposed to custodial credit risk as follows:

	January 31, 2021	January 31, 2020
Insured by FDIC	$ 250,000.00	$ 250,000.00
Insured and collateralized with securities held by pledging financial institutions	2,616,154.30	2,316,691.59
Uninsured and Uncollateralized	12,866,057.09	12,189,797.44
	$ 15,732,211.39	$ 14,756,489.03

Service Fees

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

Fiscal Year	Beginning Balance	Billings	Total Collections	Percentage of Collections
2021	$ 524,898.68	$ 3,807,635.03	$ 3,965,942.45	91.54%
2020	589,157.64	4,298,538.70	4,362,797.66	89.26%
2019	462,763.84	4,236,099.54	4,109,705.74	87.46%

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

Capital Assets

During the fiscal year ended January 31, 2021, the following changes in Capital Assets occurred:

	Balance Feb. 1, 2020	Additions	Transfers	Deletions	Balance Jan. 31, 2021
Capital Assets not being Depreciated:					
Land & Land Improvements	$ 336,795.50				$ 336,795.50
Construction in Progress	7,956,541.36	$ 241,007.48	$ (7,110,226.39)	$ 13,661.75	1,073,660.70
Total Capital Assets not being Depreciated	8,293,336.86	241,007.48	(7,110,226.39)	13,661.75	1,410,456.20
Capital Assets being Depreciated:					
Vehicles	300,359.00	34,414.00			334,773.00
Equipment & Furnishings	2,841,546.93	90,542.58		15,966.09	2,916,123.42
Buildings & Improvements	4,417,848.80	12,651.00			4,430,499.80
Infrastructure	10,271,436.90		7,110,226.39		17,381,663.29
Total Capital Assets being Depreciated	17,831,191.63	137,607.58	7,110,226.39	15,966.09	25,063,059.51
Total Capital Assets	26,124,528.49	378,615.06	-	29,627.84	26,473,515.71
Less Accumulated Depreciation:					
Unallocated	(8,092,285.28)	(579,291.88)		(15,966.09)	(8,655,611.07)
Capital Assets, Net	$ 18,032,243.21	$ (200,676.82)	$ -	$ 13,661.75	$ 17,817,904.64

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

Capital Assets (Cont'd)

During the fiscal year ended January 31, 2020, the following changes in Capital Assets occurred:

	Balance Feb. 1, 2019	Additions	Transfers	Deletions	Balance Jan. 31, 2020
Capital Assets not being Depreciated:					
Land & Land Improvements	$ 336,795.50				$ 336,795.50
Construction in Progress	6,108,279.16	$ 1,848,262.20			7,956,541.36
Total Capital Assets not being Depreciated	6,445,074.66	1,848,262.20	-	-	8,293,336.86
Capital Assets being Depreciated:					
Vehicles	300,359.00				300,359.00
Equipment & Furnishings	2,764,148.09	77,398.84			2,841,546.93
Buildings & Improvements	4,417,848.80				4,417,848.80
Infrastructure	10,271,436.90				10,271,436.90
Total Capital Assets being Depreciated	17,753,792.79	77,398.84	-	-	17,831,191.63
Total Capital Assets	24,198,867.45	1,925,661.04	-	-	26,124,528.49
Less Accumulated Depreciation:					
Unallocated	(7,514,444.74)	(577,840.54)			(8,092,285.28)
Capital Assets, Net	$ 16,684,422.71	$ 1,347,820.50	$ -	$ -	$ 18,032,243.21

Note 4: DETAIL NOTES – LIABILITIES

Long-term Liabilities

During the fiscal year ended January 31, 2021, the following changes occurred in long-term obligations:

	Balance Feb. 1, 2020	Additions	Reductions	Balance Jan. 31, 2021	Due Within One Year
Bonds Payable:					
Bonds Payable	$ 4,740,000.00		$ (265,000.00)	$ 4,475,000.00	$ 275,000.00
Bond Premium	47,213.20		(3,540.99)	43,672.21	
Total Bonds Payable	4,787,213.20	-	(268,540.99)	4,518,672.21	275,000.00
Other Liabilities:					
Net Pension Liability	1,272,772.00	$1,241,841.00	(1,283,930.00)	1,230,683.00	
Net OPEB Obiligation		3,194,739.00	(955,720.00)	2,239,019.00	
Other Liabilities - Related to Pension	40,080.00	48,159.00	(40,080.00)	48,159.00	
Total Other Liabilities	1,312,852.00	4,484,739.00	(2,279,730.00)	3,517,861.00	-
Total Long Term Liabilities	$ 6,100,065.20	$4,484,739.00	$ (2,548,270.99)	$ 8,036,533.21	$ 275,000.00

During the fiscal year ended January 31, 2020, the following changes occurred in long-term obligations:

	Balance Feb. 1, 2019	Additions	Reductions	Balance Jan. 31, 2020	Due Within One Year
Bonds Payable:					
Bonds Payable	$ 4,995,000.00		$ (255,000.00)	$ 4,740,000.00	$ 265,000.00
Bond Premium	50,754.19		(3,540.99)	47,213.20	
Total Bonds Payable	5,045,754.19	-	(258,540.99)	4,787,213.20	265,000.00
Other Liabilities:					
Net Pension Liability	1,164,869.00	$1,370,140.00	(1,262,237.00)	1,272,772.00	
Other Liabilities - Related to Pension	34,327.00	40,080.00	(34,327.00)	40,080.00	
Total Other Liabilities	1,199,196.00	1,410,220.00	(1,296,564.00)	1,312,852.00	-
Total Long Term Liabilities	$ 6,244,950.19	$1,410,220.00	$ (1,555,104.99)	$ 6,100,065.20	$ 265,000.00

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Revenue Bonds Payable

The Sewer System Revenue Bonds Series 2018 are direct obligations of the Authority. The Bonds are secured by a pledge on the revenues derived by the Authority from the operation of its sewerage collection and treatment facilities.

The 2018 Bonds were issued to fund improvements to the Authority's water reclamation system, fund a deposit to the Bond Reserve Fund and pay certain costs related to the issuance of the 2018 Bonds. The Bonds were issued originally for $4,995,000.00 and carried interest rates ranging from 3.0% to 5.0%. The final maturity of the 2018 Bonds is May1, 2033

The following schedule reflects the Debt Requirements until 2034.

Fiscal Year Ending January 31,	Principal	Interest	Total
2022	$ 275,000.00	$ 148,193.76	$ 423,193.76
2023	285,000.00	136,993.76	421,993.76
2024	300,000.00	123,793.76	423,793.76
2025	310,000.00	111,256.26	421,256.26
2026	320,000.00	101,018.76	421,018.76
2027 to 2031	1,775,000.00	343,621.90	2,118,621.90
2032 to 2034	1,210,000.00	61,856.26	1,271,856.26
	4,475,000.00	$ 1,026,734.46	$ 5,501,734.46
Less: Current Maturities	275,000.00		
Premium on Bonds	43,672.21		
Long-term Portion	$ 4,243,672.21		

Compensated Absences

At the end of each year, Authority employees may elect to be paid for unused sick days or accumulate and roll them over into the next year. Employees are not compensated for accumulated sick days upon retirement or resignation unless they have twenty-five years of service with the Authority. Up to a maximum of one week's vacation days not used during the year may be carried forward upon management approval. Employees are paid in full for accumulated vacation days upon retirement or resignation. There is no accrued liability for accumulated sick leave and vacation time at January 31, 2021 and 2020 respectively.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans

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

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

General Information about the Pension Plans

Plan Descriptions

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Note 4: <u>DETAIL NOTES – LIABILITIES (CONT'D)</u>

Pension Plans (Cont'd)

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

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

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

Contributions

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

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) - The Authority's contractually required contribution rate for the fiscal years ended January 31, 2021 and 2020 was 13.78% and 12.77% of the Authority's covered payroll, respectively. These amounts were actuarially determined as the amount that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the fiscal year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the Authority's contractually required contribution to the pension plan for the fiscal year ended January 31, 2021 was $82,558.00, and was payable by April 1, 2021. Based on the PERS measurement date of June 30, 2019, the Authority's contractually required contribution to the pension plan for the fiscal year ended January 31, 2020 was $68,709.00, and was payable by April 1, 2020. Employee contributions to the Plan for the fiscal year ended January 31, 2021 and 2020 were $45,377.02 and $40,545.21, respectively.

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

For the fiscals year ended January 31, 2021 and 2020, there were no employees participating in DCRP.

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

Pension Liability - As of January 31, 2021, the Authority's proportionate share of the PERS net pension liability was $1,230,683.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Authority's proportion was .0075467830%, which was an increase of .0004830824% from its proportion measured as of June 30, 2019.

As of January 31, 2020, the Authority's proportionate share of the PERS net pension liability was $1,272,772.00. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the Authority's proportion was .0070637006%, which was an increase of .0011475082% from its proportion measured as of June 30, 2019.

Pension Expense - For the fiscal years ended January 31, 2021 and 2020, the Authority recognized its proportionate share of the PERS pension expense of $49,214.00 and $67,232.00, respectively. These amounts were based on the plan's June 30, 2020 and 2019 measurement dates, respectively.

Note 4: DETAL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

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

Deferred Outflows of Resources and Deferred Inflows of Resources – At January 31, 2021 and 2020, the Authority had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	January 31, 2021		January 31, 2020	
	Measurement Date June 30, 2020		Measurement Date June 30, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 22,409.00	$ 4,352.00	$ 22,845.00	$ 5,623.00
Changes of Assumptions	39,925.00	515,299.00	127,091.00	441,775.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	42,066.00	-	-	20,091.00
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	316,837.00	192,147.00	339,638.00	303,901.00
Authority Contributions Subsequent to the Measurement Date	48,159.00	-	40,080.00	-
	$ 469,396.00	$ 711,798.00	$ 529,654.00	$ 771,390.00

Deferred outflows of resources in the amounts of $48,159.00 and $40,080.00 will be included as a reduction of the net pension liability during the fiscal years ending January 31, 2022 and 2021, respectively. These amounts are based on an estimated April 1, 2022 and April 1, 2021 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2020 and 2019 to the Authority's fiscal year end of January 31, 2021 and 2020.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

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

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

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

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Fiscal Year Ending January 31,	
2021	$ (117,734.00)
2022	(115,694.00)
2023	(52,487.00)
2024	(984.00)
2025	(3,662.00)
	$ (290,561.00)

Actuarial Assumptions - PERS

The net pension liability was measured as of June 30, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020 and 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date June 30, 2020	Measurement Date June 30, 2019
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.00% - 6.00% Based on Years of Service	2.00% - 6.00% Based on Years of Service
Thereafter	3.00% - 7.00% Based on Years of Service	3.00% - 7.00% Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2014 - June 30, 2018

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Actuarial Assumptions – PERS (Cont'd)

For the June 30, 2020 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For the June 30, 2019 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020 and 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 and 2019 are summarized in the table below:

	Measurement Date June 30, 2020		Measurement Date June 30, 2019	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
High Yield	2.00%	5.95%	2.00%	5.37%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Assets	3.00%	9.73%	2.50%	9.31%
Real Estate	8.00%	9.56%	7.50%	8.33%
U.S. Equity	27.00%	7.71%	28.00%	8.26%
Non-U.S. Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
Private Equity	13.00%	11.42%	12.00%	10.85%
	100.00%		100.00%	

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Actuarial Assumptions – PERS (Cont'd)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability at June 30, 2019 was 6.28%. The single blended discount rate as based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from pension plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current pension plan members through 2057. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Authority's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	January 31, 2021		
	1% Decrease (6.00%)	**Current Discount Rate (7.00%)**	**1% Increase (8.00%)**
Authority's Proportionate Share of the Net Pension Liability	$ 1,716,123.00	$ 1,230,683.00	$ 1,057,322.00

Note 4: **DETAIL NOTES – LIABILITIES (CONT'D)**

Pension Plans (Cont'd)

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

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

	January 31, 2020		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Authority's Proportionate Share of the Net Pension Liability	$ 1,748,780.00	$ 1,272,772.00	$ 1,090,491.00

Pension Plan Fiduciary Net Position

Public Employees' Retirement System

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

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

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

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

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

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

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

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

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

The Authority was billed monthly by the Plan and and made no payments for retiree benefits for the fiscal year ended January 31, 2021. This represents 0.00% of the Authority's covered payroll. During the fiscal year ended January 31, 2021, there were no retirees receiving benefits and no required contributions to the Plan.

<u>OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources</u>

OPEB Liability - At January 31, 2021, the Authority's proportionate share of the net OPEB liability was $2,239,019.00

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

The Authority's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan' during the measurement period July 1, 2019 through June 30, 2020. For the June 30, 2020 measurement date, the Authority's proportion was 0.012476% which was an increase of .012476% from its proportion measured as of the June 30, 2019 measurement date.

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

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

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

OPEB (Benefit) Expense - At January 31, 2021, the Authority's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date, is $371,176.00

Deferred Outflows of Resources and Deferred Inflows of Resources - At January 31, 2021, the Authority had deferred outflows of resources and deferred inflows of resources from the following sources:

	January 31, 2021	
	Measurement Date June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 58,974.00	$ 416,947.00
Changes of Assumptions	334,887.00	497,923.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	1,422.00	-
Changes in Proportion	2,428,280.00	-
Authority Contributions Subsequent to the Measurement Date	-	-
	$ 2,823,563.00	$ 914,870.00

There were no deferred outflows of resources resulting from Authority contributions subsequent to the Plan's measurement date of June 30, 2020.

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

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

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

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

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

Fiscal Year Ending	
January 31, 2022	$ 233,103.00
January 31, 2023	232,993.00
January 31, 2024	232,817.00
January 31, 2025	232,656.00
January 31, 2026	271,087.00
Thereafter	706,037.00
	$ 1,908,693.00

Actuarial Assumptions

The actuarial valuation at June 30, 2020 and 2019 used the following actuarial assumptions, applied to all periods in the measurement:

	Measurement Date June 30, 2020	Measurement Date June 30, 2019
Inflation Rate	2.50%	2.50%
Salary Increases *		
PERS:		
Initial Fiscal Year Applied:		
Rate Through 2026	2.00% to 6.00%	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%	3.00% to 7.00%

* Salary increases are based on years of service within the respective plan

For the June 30, 2020 measurement date, mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2020. For the June 30, 2019 measurement date, mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2019

Actuarial assumptions used in the June 30, 2019 and June 30, 2018 valuation were based on the results of the PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members in both the June 30, 2020 and June 30, 2019 measurement dates are considered to participate in the Plan upon retirement.

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

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

Actuarial Assumptions (Cont'd)

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

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions – For the June 30, 2020 measurement date, the trend rate for pre-Medicare medical benefits, is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

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

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

	January 31, 2021		
	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Authority's Proportionate Share of the Net OPEB Liability	$ 2,646,994.00	$ 2,239,019.00	$ 1,916,070.00

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

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

	January 31, 2021		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Authority's Proportionate Share of the Net OPEB Liability	$ 1,852,791.00	$ 2,239,019.00	$ 2,744,790.00

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

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

OPEB Plan Fiduciary Net Position

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

Note 6: DETAIL NOTES – DEFERRED INFLOWS OF RESOURCES

Connection Fees

The Authority receives payments for connection fees when new users connect to the sewer system. The Authority does not supply the user with supplies or services to make the physical connection and is therefore considered a non exchange transaction. The Authority recognizes the revenue in the period that the user exercises their right to connect to the system.

Note 7: COMMITMENTS

The Authority had several outstanding or planned construction projects as of January 31, 2021. These projects are evidenced by contractual commitments with contractors and include:

Project	Awarded	Commitment Remaining
Raccoon Creek Bridge Project	$ 130,446.29	$ 16,135.41
Effluent Forcemain Design	752,030.00	638,775.75
Facility Improvement Project	8,995,000.00	8,995,000.00
Birch Creek Flooding	29,535.00	1,416.91
Outfall Capacity Evaluation	29,790.00	16,552.50
	$ 9,936,801.29	$ 9,667,880.57

Note 8: DEFERRED COMPENSATION

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

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

Note 9: DETAIL NOTES – NET POSITION

The following is a summary of the Authority's unrestricted net position for the fiscal year ended January 31, 2021:

		January 31, 2021
Unresticted Net Position:		
Designated for Construction Projects		(672,880.57)
Unrestricted	$	11,482,964.00
	$	10,810,083.43
Reconcilation of Unrestricted Net Position:		
Effects of GASB 68 and 71 Pension Related Items	$	(1,473,085.00)
Effects of GASB 75 OPEB Related Items		(330,326.00)
Undesignated before GASB 68 and 71 Pension Items and GASB 75 OPEB Related Items		12,613,494.43
	$	10,810,083.43

Note 10: RISK MANAGEMENT

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

Public Officials Bonds in excess of amounts statutorily required
Public Employees Dishonesty Bonds
Automobile Liability
Workers' Compensation
Employers' Liability
Commercial Property
General Liability
Public Officials Liability
Employment Practices Liability
Environmental Liability

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

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

New Jersey Utilities Authority Joint Insurance Fund
Park 80, Plaza One
Saddle Brook, New Jersey 07663

Note 11: **CONTINGENCIES**

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

Note 12: **SUBSEQUENT EVENTS**

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

REQUIRED SUPPLEMENTARY INFORMATION

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's Proportionate Share
of the Net OPEB Liability - State Plan

	Measurement Date Ended June 30, 2020
Authority's Proportion of the Net OPEB Liability	0.012476%
Authority's Proportionate Share of the Net OPEB Liability	$ 2,239,019.00
Authority's Covered Payroll (Plan Measurement Period)	$ 565,244.00
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	396.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%

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

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's OPEB Contributions - State Plan

	Fiscal Year Ended January 31, 2021
Authority's Required Contributions	$ -
Authority's Contributions in Relation to the Required Contribution	-
Authority's Contribution Deficiency (Excess)	$ -
Authority's Covered Payroll Fiscal Year	$ 599,077.00
Authority's Contributions as a Percentage of Covered Payroll	0.00%

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

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Eight Plan Years

	Measurement Date Ending June 30,		
	2020	**2019**	**2018**
Authority's Proportion of the Net Pension Liability	0.0075467830%	0.0070637006%	0.0059161924%
Authority's Proportionate Share of the Net Pension Liability	$ 1,230,683.00	$ 1,272,772.00	$ 1,164,869.00
Authority's Covered Payroll (Plan Measurement Period)	$ 535,064.00	$ 501,964.00	$ 478,432.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	230.01%	253.56%	243.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%

	Measurement Date Ending June 30,		
	2017	**2016**	**2015**
Authority's Proportion of the Net Pension Liability	0.0076197666%	0.0064477624%	0.0070703445%
Authority's Proportionate Share of the Net Pension Liability	$ 1,773,760.00	$ 1,909,642.00	$ 1,587,151.00
Authority's Covered Payroll (Plan Measurement Period)	$ 507,088.00	$ 443,560.00	$ 500,324.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	349.79%	430.53%	317.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%

	Measurement Date Ending June 30,	
	2014	**2013**
Authority's Proportion of the Net Pension Liability	0.0079495568%	0.0068799476%
Authority's Proportionate Share of the Net Pension Liability	$ 1,488,374.00	$ 1,314,895.00
Authority's Covered Payroll (Plan Measurement Period)	$ 539,756.00	$ 458,280.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	275.75%	286.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's Pension Contributions
Public Employees' Retirement System (PERS)
Last Eight Fiscal Years

	Fiscal Year Ended January 31,		
	2021	**2020**	**2019**
Authority's Contractually Required Contribution	$ 82,558.00	$ 68,709.00	$ 58,847.00
Authority's Contribution in Relation to the Contractually Required Contribution	(82,558.00)	(68,709.00)	(58,847.00)
Authority's Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 599,077.00	$ 537,880.00	$ 499,617.00
Authority's Contributions as a Percentage of Covered Payroll	13.78%	12.77%	11.78%

	Fiscal Year Ended January 31,		
	2018	**2017**	**2016**
Authority's Contractually Required Contribution	$ 70,589.00	$ 57,281.00	$ 60,786.00
Authority's Contribution in Relation to the Contractually Required Contribution	(70,589.00)	(57,281.00)	(60,786.00)
Authority's Contribution Deficiency (Excess)	$ -	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 479,270.00	$ 500,801.00	$ 443,484.00
Authority's Contributions as a Percentage of Covered Payroll	14.73%	11.44%	13.71%

	Fiscal Year Ended January 31,	
	2015	**2014**
Authority's Contractually Required Contribution	$ 65,535.00	$ 51,839.00
Authority's Contribution in Relation to the Contractually Required Contribution	(65,535.00)	(51,839.00)
Authority's Contribution Deficiency (Excess)	$ -	$ -
Authority's Covered Payroll (Fiscal Year)	$ 502,415.00	$ 512,131.00
Authority's Contributions as a Percentage of Covered Payroll	13.04%	10.12%

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

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Notes to Required Supplementary Information
For the Fiscal Year Ended January 31, 2021

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

Change in Benefit Terms:

The actuarial valuation as of June 30, 2020 included updates to the provisions of Chapter 48, along with newly adopted changes in different levels of subsidy for employers.

Changes in Assumptions:

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

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

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

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

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023 the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.50% for all future years. For prescription drug benefits, the initial trend rate is 7.00% decreasing to a 4.50% long-term trend rate after seven years.

On October 21, 2020, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2020. The MP-2020 scale reflects more recent mortality data for the U.S. population.

Note 2: POSTEMPLOYMENT BENEFITS - PENSION

Public Employees' Retirement System (PERS)

Change in Benefit Terms:

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Note 2: POSTEMPLOYMENT BENEFITS - PENSION (CONT'D)

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

Changes in Assumptions:

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

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

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

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

The mortality assumption was updated upon direction from the DPB.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

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

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

SUPPLEMENTARY SCHEDULES

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Combining Schedule of Revenue, Expenses and Changes in Net Position
For the Fiscal Year Ended January 31, 2021

		Restricted Funds					
	Revenue and Operating	Renewal and Replacement	Bond Reserve	Bond Service	General Fund	Unemployment	Total
Operating Revenues:							
Service Charges	$ 3,284,380.39						$ 3,284,380.39
Other Revenue	615,432.96					$ 1,181.01	616,613.97
	3,899,813.35	-	-	-	-	1,181.01	3,900,994.36
Operating Expenses:							
Administration	658,813.49						658,813.49
Cost of Providing Services	1,977,929.91						1,977,929.91
Depreciation					$ 579,291.88		579,291.88
	2,636,743.40	-	-	-	579,291.88	-	3,216,035.28
Operating Income (Loss)	1,263,069.95	-	-	-	(579,291.88)	1,181.01	684,959.08
Non-operating Revenue (Expenses):							
Investment Income	1,059.07	$ 1,203.78	$ 512.63	$ 281.23	13,095.55	17.48	16,169.74
Non-operating Income	58,601.22						58,601.22
Interest Expense				(156,343.78)	3,540.99		(152,802.79)
Construction Expenditures					(13,661.75)		(13,661.75)
Debt Issue Costs					(98,495.00)		(98,495.00)
Net Income (Loss) Before Transfers	1,322,730.24	1,203.78	512.63	(156,062.55)	(674,812.09)	1,198.49	494,770.50
Transfers Between Funds	(1,301,517.74)	(1,203.78)	(512.63)	158,712.55	1,144,521.60	-	-
Increase in Net Position	21,212.50	-	-	2,650.00	469,709.51	1,198.49	494,770.50
Net Position Beginning of Fiscal Year	753,040.00	1,000,000.00	425,840.63	130,771.68	24,043,442.76	16,083.78	26,369,178.85
Net Position End of Fiscal Year:							
Net Investment in Capital Assets					13,163,609.95		13,163,609.95
Restricted	$ 774,252.50	$ 1,000,000.00	$ 425,840.63			$ 17,282.27	2,217,375.40
Unrestricted				$ 133,421.68	$ 11,349,542.32		$ 11,482,964.00

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget--Budgetary Basis
For the Fiscal Year Ended January 31, 2021

	Adopted Budget	Amendments/ Transfers	Amended Budget	Actual	Variance Favorable (Unfavorable)
Anticipated Revenues:					
Operating Revenues:					
Service Charges					
Sewer Service Charges	$ 2,952,635.00		$ 2,952,635.00	$ 3,128,358.95	$ 175,723.95
Unused Capacity Fees	16,275.00		16,275.00	48,331.44	32,056.44
Connection Fees	350,000.00		350,000.00	107,690.00	(242,310.00)
Other Revenues					
Hauled-in Waste	85,000.00		85,000.00	199,780.75	114,780.75
Surcharges				215,647.15	215,647.15
Fines				200,005.06	200,005.06
Total Operating Revenues	3,403,910.00	-	3,403,910.00	3,899,813.35	495,903.35
Non-Operating Revenues:					
Investment Income	10,000.00		10,000.00	1,059.07	(8,940.93)
Tower Rent	20,750.00		20,750.00	35,996.56	15,246.56
Miscellaneous	2,500.00		2,500.00	22,604.66	20,104.66
Total Non-Operating Revenues	33,250.00	-	33,250.00	59,660.29	26,410.29
Total Anticipated Revenues	3,437,160.00	-	3,437,160.00	3,959,473.64	522,313.64
Operating Appropriations:					
Administrative:					
Salaries and Wages	195,000.00		195,000.00	182,287.31	12,712.69
Overtime	1,800.00		1,800.00	418.33	1,381.67
Fringe Benefits:					
Social Security	16,000.00		16,000.00	13,816.45	2,183.55
Health Insurance	92,000.00	$ (2,000.00)	90,000.00	44,745.89	45,254.11
Unemployment Insurance	1,000.00		1,000.00	226.59	773.41
PERS - Pension	41,000.00		41,000.00	34,685.00	6,315.00
Contractual Services:					
Allowance for Doubtful Accounts	22,810.00		22,810.00		22,810.00
Unemployment Reserve	15,000.00		15,000.00		15,000.00
Advertising	4,000.00		4,000.00	1,988.25	2,011.75
Travel	1,400.00	(500.00)	900.00		900.00
Postage	5,500.00		5,500.00	3,721.78	1,778.22
Conferences/Training	6,000.00		6,000.00	163.00	5,837.00
Computer Services	36,000.00		36,000.00	32,593.79	3,406.21
Legal Services	80,000.00	80,000.00	160,000.00	129,148.74	30,851.26
Trustee Fees	10,000.00		10,000.00	4,500.00	5,500.00
Accounting/Auditing	36,000.00	(6,000.00)	30,000.00	27,610.00	2,390.00
Professional Services	17,000.00	8,000.00	25,000.00	22,853.46	2,146.54
Insurance	80,000.00		80,000.00	59,473.91	20,526.09
Dues & Memberships	6,000.00		6,000.00	5,845.13	154.87
Equipment Maintenance	2,000.00		2,000.00	371.40	1,628.60
Equipment Rental	5,000.00	(2,000.00)	3,000.00	925.00	2,075.00
Doctor	2,700.00		2,700.00	673.72	2,026.28
Other Expenses	2,500.00		2,500.00	1,081.49	1,418.51
Office Supplies	5,000.00		5,000.00	3,416.51	1,583.49
Office Equipment	6,000.00		6,000.00	3,898.40	2,101.60
Miscellaneous Supplies	1,000.00		1,000.00	64.99	935.01
Total Administrative	690,710.00	77,500.00	768,210.00	574,509.14	193,700.86
Cost of Providing Services:					
Salaries and Wages	535,000.00	(30,000.00)	505,000.00	438,534.56	66,465.44
Overtime	30,000.00		30,000.00	18,375.13	11,624.87
Fringe Benefits:					
Social Security	32,000.00	5,000.00	37,000.00	35,036.19	1,963.81
Unemployment Insurance	2,000.00		2,000.00	281.26	1,718.74
Health Insurance	212,000.00	(15,000.00)	197,000.00	101,443.41	95,556.59
PERS - Pension	41,000.00		41,000.00	34,685.00	6,315.00

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LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget--Budgetary Basis
For the Fiscal Year Ended January 31, 2021

	Adopted Budget	Amendments/ Transfers	Amended Budget	Actual	Variance Favorable (Unfavorable)
Operating Appropriations (Cont'd):					
Cost of Providing Services (Cont'd):					
Uniform Rental	$ 5,000.00		$ 5,000.00	$ 3,442.25	$ 1,557.75
Travel	1,400.00		1,400.00	77.20	1,322.80
Conferences/Training	6,000.00		6,000.00	710.00	5,290.00
Sludge Disposal	300,000.00	$ 30,000.00	330,000.00	295,343.40	34,656.60
Professional Services	15,000.00		15,000.00	11,285.39	3,714.61
Laboratory Services	22,000.00		22,000.00	15,562.31	6,437.69
Engineering	55,000.00	40,000.00	95,000.00	68,182.91	26,817.09
Permits	30,000.00		30,000.00	24,787.00	5,213.00
Electrical Repairs	23,000.00		23,000.00	14,424.75	8,575.25
Mechanical Repairs	50,000.00		50,000.00	7,945.82	42,054.18
Electronic/Communication Repairs	6,000.00		6,000.00	3,265.63	2,734.37
Buildings & Grounds	10,000.00		10,000.00	2,886.86	7,113.14
Vehicle Maintenance	3,350.00		3,350.00	457.11	2,892.89
Electricity	500,000.00		500,000.00	465,055.22	34,944.78
Water	9,000.00		9,000.00	7,228.32	1,771.68
Collection System Maintenance	50,000.00	10,000.00	60,000.00	49,723.06	10,276.94
NJ One Call	1,500.00	500.00	2,000.00	1,561.61	438.39
Other Expenses	1,900.00		1,900.00	1,169.92	730.08
Chemicals & Gases	20,000.00		20,000.00	8,979.77	11,020.23
Polymer	20,000.00	2,000.00	22,000.00	20,355.00	1,645.00
Fuels & Lubricants	28,000.00		28,000.00	17,969.02	10,030.98
Hardware & Tools	6,000.00		6,000.00	5,882.39	117.61
Safety Supplies	3,800.00		3,800.00	3,510.21	289.79
Laboratory Supplies	9,500.00		9,500.00	8,578.79	921.21
Mechanical Materials	30,000.00		30,000.00	19,031.34	10,968.66
Electrical Materials	15,000.00		15,000.00	12,214.58	2,785.42
U.V. Parts	15,000.00	15,000.00	30,000.00	29,944.43	55.57
Janitorial Supplies	2,000.00		2,000.00	1,454.75	545.25
Vehicle Parts	3,000.00		3,000.00	1,762.36	1,237.64
Building & General Maintenance	10,000.00		10,000.00	5,962.99	4,037.01
Electronic/Communication Material	15,000.00	2,000.00	17,000.00	13,756.96	3,243.04
Collection System Materials	4,500.00		4,500.00	4,321.88	178.12
Miscellaneous Supplies	1,000.00		1,000.00	698.30	301.70
Vehicles	35,000.00		35,000.00	34,474.00	526.00
Laboratory Equipment	9,000.00	(2,000.00)	7,000.00	1,919.17	5,080.83
Plant Equipment	150,000.00	(15,000.00)	135,000.00	96,730.59	38,269.41
Safety Equipment	3,500.00		3,500.00		3,500.00
Total Cost of Providing Services	2,321,450.00	42,500.00	2,363,950.00	1,889,010.84	474,939.16
Total Operating Appropriations	3,012,160.00	120,000.00	3,132,160.00	2,463,519.98	668,640.02
Principal Payments on Debt Service in Lieu of Depreciation	265,000.00	-	265,000.00	265,000.00	-
Non-Operating Appropriations:					
Contribution to Township of Logan	154,873.00	(120,000.00)	34,873.00	-	34,873.00
Interest on Debt	160,000.00		160,000.00	158,993.78	1,006.22
Total Non-Operating Appropriations	314,873.00	(120,000.00)	194,873.00	158,993.78	35,879.22
Total Budget Appropriations	3,592,033.00	-	3,592,033.00	2,887,513.76	704,519.24
Unrestricted Net Position to Balance Budget	154,873.00	-	154,873.00	-	154,873.00
Total Appropriations and Unrestricted Net Position	3,437,160.00	-	3,437,160.00	2,887,513.76	549,646.24
Excess of Budgetary Revenues Over Budgetary Appropriations	$ -	$ -	$ -	$ 1,071,959.88	$ 1,071,959.88

(Continued)

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared to Budget--Budgetary Basis
For the Fiscal Year Ended January 31, 2021

Reconciliation to Operating Income

Excess of Budgetary Revenues Over Budgetary Appropriations		$ 1,071,959.88
Add:		
Unemployment Insurance	$ 1,181.01	
Capitalized Budget Expenses	137,607.58	
Bond Principal	265,000.00	
Interest on Debt	158,993.78	
Pension Benefit (GASB 68)	19,495.00	
		582,277.37
		1,654,237.25
Less:		
Investment Income	1,059.07	
Other Non-Operating Revenues	58,601.22	
Other Post-Employment Liability Expense (GASB 75)	330,326.00	
Depreciation	579,291.88	
		969,278.17
Operating Income (Exhibit B)		$ 684,959.08

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue Bonds Payable
For the Fiscal Year Ended January 31, 2021

Issue	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding January 31, 2021 Date	Maturities of Bonds Outstanding January 31, 2021 Amount	Interest Rate	Balance February 1, 2020	Paid	Balance January 31, 2021
Revenue Bonds, Series 2018	5/22/2018	$ 4,995,000	5/1/2021	$ 275,000.00	4.000%			
			5/1/2022	285,000.00	4.000%			
			5/1/2023	300,000.00	5.000%			
			5/1/2024	310,000.00	3.250%			
			5/1/2025	320,000.00	3.250%			
			5/1/2026	335,000.00	3.250%			
			5/1/2027	345,000.00	3.000%			
			5/1/2028	355,000.00	3.125%			
			5/1/2029	365,000.00	3.000%			
			5/1/2030	375,000.00	3.250%			
			5/1/2031	390,000.00	3.250%			
			5/1/2032	405,000.00	3.375%			
			5/1/2033	415,000.00	3.375%	$ 4,740,000.00	$ 265,000.00	$ 4,475,000.00
						$ 4,740,000.00	$ 265,000.00	4,475,000.00
						Plus Unamortized Bond Premium		43,672.21
								$ 4,518,672.21

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JANUARY 31, 2021

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Recommendations
For the Fiscal Year Ended January 31, 2021

Schedule of Financial Statement Findings

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

No Current Year Findings

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

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

No Prior Year Findings

31600

APPRECIATION

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants