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CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

AUDIT REPORT

YEARS ENDED
DECEMBER 31, 2022 AND 2021

Romano, Hearing, Testa & Knorr
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
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PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Chairman and Commissioners of the
Cumberland County Improvement Authority
Millville, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Cumberland County Improvement Authority (the "Authority"), a component unit of the County of Cumberland, State of New Jersey, as of and for the years ended December 31, 2022 and 2021, and its discretely presented component unit (Cumberland Empowerment Zone Corp.) as of and for the year ended December 31, 2021, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Cumberland County Improvement Authority as of December 31, 2022 and 2021, and the Authority's discretely presented component unit as of December 31, 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cumberland County Improvement Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Authority's discretely presented component unit (Cumberland Empowerment Zone Corp.) as of and for the year ended December 31, 2021 were not audited in accordance with *Government Auditing Standards.*

Responsibilities of Management for the Financial Statements

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

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Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary schedules as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary schedules, as listed in the table of contents, and the schedule of expenditures of federal awards 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 September 22, 2023 on our consideration of the Cumberland County Improvement Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cumberland County Improvement Authority's internal control over financial reporting or on

Other Reporting Required by *Government Auditing Standards* (Continued)

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cumberland County Improvement Authority's internal control over financial reporting and compliance.

ROMANO, HEARING, TESTA & KNORR

Romano, Hearing, Testa & Knorr

Certified Public Accountants

September 22, 2023

INDEPENDENT AUDITOR'S 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*

Chairman and Members of the
Cumberland County Improvement Authority
Millville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Cumberland County Improvement Authority (the "Authority"), a component unit of the County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cumberland County Improvement Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cumberland County Improvement Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Cumberland County Improvement 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cumberland County Improvement Authority's financial statements are free of 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 determination of financial statement amounts. 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.*

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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ROMANO, HEARING, TESTA & KNORR

Romano, Hearing, Testa & Knorr

Certified Public Accountants

September 22, 2023

REQUIRED SUPPLEMENTARY INFORMATION
PART I

THE AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Cumberland County Improvement Authority's (the Authority) annual financial report presents the analysis of the Authority's financial performance during the year that ended on December 31, 2022. Please read it in conjunction with the financial statements that follow this section.

FINANCIAL HIGHLIGHTS

Management believes the Authority's financial condition is strong. Operating revenue totaled $31.5 million which is an increase of $0.7 million or 2.2% over the prior year. Landfill Tipping Fees and Lease/Rental Income, the largest revenue sources, accounted for $15.1 million and $9.9 million respectively. Landfill Tipping Fees decreased $.5 million or 3.4%, and Lease Rental Income increased $.2 million or 2.2%.

- The Authority's Net Capital Assets decreased by $8.7 million, a decrease of 5.6%.
- The Authority's Total Assets decreased by $18.2 million, a decrease of 3.8%.
- Operating expenses include cost of providing services, administrative and general, closure/postclosure costs and depreciation. The costs the Authority has control over, which are the cost of providing services and administrative and general expenses, totaled $18.8 million, an increase of $2.5 million or 15.4%.
- Closure/postclosure costs and depreciation expense totaled $10.9 million, a decrease of $0.2 million or 1.9%. The change was primarily due to a decrease in the Closure/postclosure expense.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority is a single enterprise fund even though it provides various services. The Authority's major operations are comprised of Solid Waste Operations and Other which includes economic development activities, primarily consisting of acquisition and construction projects with leasing agreements to various tenants. The Authority's Audit Report includes the required Basic Financial Statements, as described below, the Notes to Financial Statements, required supplementary information, which consists of this Management Discussion and Analysis section and required pension and other post employment benefits (OPEB) schedules, and finally, supplementary information.

REQUIRED FINANCIAL STATEMENTS

The financial statements report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities.

The ***Statements of Net Position*** includes all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). The statements provide the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the ***Statements of Revenues, Expenses and Changes in Net Position***. These statements measure the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its solid waste user fees and other charges. These statements also measure the Authority's profitability and credit worthiness. The other required financial statement is the ***Statement of Cash Flows***. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investments and financing activities, and provides answers to such questions as "where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period?"

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

One of the most important questions asked about the Authority's finances is "Is the Authority, as a whole, better off or worse off as a result of the year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position report information about the Authority's activities in a manner that will help answer this question. These two statements report the net position of the Authority, and year-over-year changes in net position. You can think of the Authority's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in economic conditions, customer growth, and legislative mandates also need to be part of this evaluation.

The analysis below focuses on the Authority's net position (Table 1) and changes in net position (Table 2) during the year.

Table 1
Net Position
(Dollars in Thousands)

	2022	2021	2020	2022-2021 Increase/(Decrease) $	2022-2021 Increase/(Decrease) %	2021-2020 Increase/(Decrease) $	2021-2020 Increase/(Decrease) %
Current Assets - Unrestricted	$ 15,768	$ 14,104	$ 13,938	$ 1,664	11.8%	$ 166	1.2%
Current Assets - Restricted	72,019	81,122	76,727	(9,103)	-11.2%	4,395	5.7%
Noncurrent Assets	377,073	387,861	396,139	(10,788)	-2.8%	(8,278)	-2.1%
Total Assets	464,860	483,087	486,804	(18,227)	-3.8%	(3,717)	-0.8%
Deferred Outflows of Resources	3,912	4,887	6,267	(975)	-20.0%	(1,380)	-22.0%
Current Liabilities Payable from Unrestricted Assets	4,056	7,002	5,188	(2,946)	-42.1%	1,814	35.0%
Current Liabilities Payable from Restricted Assets	14,621	9,455	10,430	5,166	54.6%	(975)	-9.3%
Long Term Liabilities	198,524	208,134	204,318	(9,610)	-4.6%	3,816	1.9%
Total Liabilities	217,201	224,591	219,936	(7,390)	-3.3%	4,655	2.1%
Deferred Inflows of Resources	222,035	228,086	235,640	(6,051)	-2.7%	(7,554)	-3.2%
Net Investment in Capital Assets	41,566	43,145	43,869	(1,579)	-3.7%	(724)	-1.7%
Restricted Net Position	6,013	4,858	5,455	1,155	23.8%	(597)	-10.9%
Unrestricted Net Position	(18,043)	(12,706)	(11,829)	(5,337)	42.0%	(877)	7.4%
Total Net Position	$ 29,536	$ 35,297	$ 37,495	$ (5,761)	-16.3%	$ (2,198)	-5.9%

The increase in current assets-unrestricted is primarily the result of increases in due from NJ IBank and investments, and decreases in due from restricted, grant funds receivable.

The decrease in current assets-restricted is due to a decrease in cash.

The decrease in noncurrent assets is due to decreases in capital assets and lease receivable, and an increase in investments.

The decrease in deferred outflows of resources is primarily due to a decrease in deferred amount relating to pensions.

The decrease in current liabilities payable from unrestricted assets is primarily due to decreases in other payables and accrued liabilities.

The increase in current liabilities payable from restricted assets is due to increases in loans payable and construction contracts payable.

The decrease in long-term liabilities is primarily due to decreases in revenue bonds payable and loans payable, and increases in accrued closure/postclosure costs and net pension liability.

The decrease in deferred inflows of resources is due to decreases in deferred amounts relating to pensions and leases.

Table 2

Statement of Revenues, Expenses and Changes in Net Position

(Dollars in Thousands)

	2022	2021	2020	2022-2021 Increase/(Decrease) $	2022-2021 Increase/(Decrease) %	2021-2020 Increase/(Decrease) $	2021-2020 Increase/(Decrease) %
Operating Revenue:							
Landfill Tipping Fees	$ 15,099	$ 15,638	$ 15,369	$ (539)	-3.4%	$ 269	1.8%
Lease/Rental Income	9,947	9,733	6,861	214	2.2%	2,872	41.9%
Interest Income on Leases	397	397	296	-	0.0%	101	34.1%
Project Management Fee	1,038	1,011	1,185	27	2.7%	(174)	-14.7%
Renewable Energy Revenue	545	502	225	43	8.6%	277	123.1%
Recycle Revenue	1,043	635	307	408	64.3%	328	106.8%
Operating Grants	847	822	457	25	3.0%	365	79.9%
Admin/Bond Trans Fee/RE Trans	2	9	499	(7)	-77.8%	(490)	-98.2%
Project Income - Fleet Maintenance	176	285	313	(109)	-38.2%	(28)	-8.9%
Property Management Fee	1,065	1,030	997	35	3.4%	33	3.3%
Other Operating Income	1,324	743	474	581	78.2%	269	56.8%
Total Operating Revenue	31,483	30,805	26,983	678	2.2%	3,822	14.2%
Operating Expenses:							
Cost of Providing Services	14,534	12,116	12,517	2,418	20.0%	(401)	-3.2%
Administrative and General	4,231	4,149	4,422	82	2.0%	(273)	-6.2%
Closure and Postclosure Costs	1,081	1,833	7,327	(752)	-41.0%	(5,494)	-75.0%
Depreciation	9,802	9,266	7,701	536	5.8%	1,565	20.3%
Total Operating Expenses	29,648	27,364	31,967	2,284	8.3%	(4,603)	-14.4%
Operating Income (Loss)	1,835	3,441	(4,984)	(1,606)	-46.7%	8,425	-169.0%
Non Operating Revenue (Expenses):							
Interest Income	594	362	479	232	64.1%	(117)	-24.4%
Interest Expense	(5,683)	(5,964)	(5,041)	281	-4.7%	(923)	18.3%
Net Decrease in Fair Value of Investments	(2,541)	(789)	-	(1,752)	222.1%	(789)	-
Abondoned Projects	(818)	-	-	(818)	-	-	-
Appropriated to County	(745)	(694)	(605)	(51)	7.3%	(89)	14.7%
Premium Paid - Payment of Debt	(665)	-	-	(665)	-	-	-
Debt Issue Costs Incurred	(65)	(190)	(58)	125	-65.8%	(132)	227.6%
Gain/Loss on Disposal of Assets	1,491	68	83	1,423	2092.6%	(15)	-18.1%
P.I.L.O.T. Program-Municipal	(9)	(15)	(15)	6	-40.0%	-	0.0%
Other Non-Operating Income	809	1,259	1,296	(450)	-35.7%	(37)	-2.9%
Forgivable Loans/Grants		-	(100)	-	-	100	-100.0%
Total Non-Operating Revenue (Expenses)	(7,632)	(5,963)	(3,961)	(1,669)	28.0%	(2,002)	50.5%
Income (Loss) Before Capital Contributions and Transfers	(5,797)	(2,522)	(8,945)	(3,275)	129.9%	6,423	-71.8%
Capital Contributions	36	324	2,273	(288)		(1,949)	
Change in Net Position	(5,761)	(2,198)	(6,671)	(3,563)	162.1%	4,473	-67.1%
Net Position-Beginning	35,297	37,495	43,470	(2,198)	-5.9%	(5,975)	-13.7%
Total Net Position-Ending	$ 29,536	$ 35,297	$ 36,799	$ (5,761)	-16.3%	$(1,502)	-4.1%

Total operating revenue increased $0.7 million or 2.2% year-over-year. Revenue increases included lease/rental income of 2.2%, project management fee 2.7%, renewable energy gas revenue 8.6%, recycle revenue 64.3%, operating grants 3.0%, property management fee 3.4% and other operating income 78.2%. Revenue decreases included landfill tipping fees of 3.4%, administrative/bond transaction fee 77.8%, and project income – fleet maintenance 38.2%.

As mentioned in the financial highlights, the costs the Authority has control over are the cost of providing services and administrative and general expenses. These expenses totaled $18.8 million, an increase of $2.5 million or 15.4% which were primarily the result of increases in disposal fees, treatment operations, and building services. Closure/postclosure costs and depreciation expense totaled $10.9 million, a decrease of $0.2 million or 1.9%. The change was primarily due to decrease in Closure/postclosure expense of 41.0% netted against an increase of 5.8% related to depreciation expense. These costs are not controlled by the Authority.

The Authority's ending net position decreased $5.8 million or 16.3% primarily caused by a loss of $5.8 million due to the net result of a $1.8 million operating income reduced by non-operating revenue (expenses) of $7.6 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 2022, the Authority had $146.0 million invested in a broad range of capital assets. This amount represents a decrease of $8.7 million or 5.6% from the previous year. More detailed information about capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year was $9.8 million.

The following table summarizes the Authority's capital assets, net of accumulated depreciation, and changes therein, for the year ended December 31, 2022.

Table 3
Capital Assets, Net of Accumulated Depreciation
(Dollars in Thousands)

				2022-2021 Increase/(Decrease)		2021-2020 Increase/(Decrease)	
	2022	**2021**	**2020**	**$**	**%**	**$**	**%**
Land	$ 4,881	$ 6,902	$ 6,753	$ (2,021)	-29.3%	149	2.2%
Construction in Progress	21,003	22,403	28,490	(1,400)	-6.2%	(6,087)	-21.4%
Building and Related Improvements	75,489	81,699	74,334	(6,210)	-7.6%	7,365	9.9%
Improvements Other than Buildings	39,494	37,898	39,398	1,596	4.2%	(1,500)	-3.8%
Machinery and Equipment	5,108	5,741	5,508	(633)	-11.0%	233	4.2%
Office Equipment	59	68	66	(9)	-13.2%	2	3.0%
Total	$ 146,034	$ 154,711	$ 154,549	$ (8,677)	-5.6%	$ 162	0.1%

The change in investment in capital assets during 2022 was primarily the result of selling building and associated property netted with additions of landfill infrastructure projects.

The Authority's Solid Waste and Other Operations FY 2023 capital budgets plan for investing $39.9 million in capital projects, including the following (in thousands):

	Solid Waste	Other	Total
Landfill Heavy Support Equipment	$ 700		$ 700
Budgeted Construction Projects	50	40	90
Closure/Post Closure	2,690	-	2,690
Building Improvements	90	100	190
Improvements Other	75	-	75
Office Furniture and Equipment	25	-	25
Machinery and Equipment	60	-	60
Solid Waste Construction Projects	750	-	750
Economic Development Construction Projects	-	35,400	35,400
TOTAL	$ 4,440	$ 35,540	$ 39,980

Capital projects listed above are funded through budget appropriations, renewal and replacement reserves, closure/postclosure reserves, and debt or bond authorizations.

Debt Administration

At December 31, 2022, the Authority had outstanding bond issues in the amount of $143.7 million with principal payments of $5.7 million due in one year as detailed in Note 4 to the financial statements. The Authority also had outstanding loans payable in the amount of $16.9 million with principal payments of $6.4 million due in one year. (See Note 4 to the financial statements).

During 2022, the Authority issued lease revenue bonds in the amount of $2.0 million principal for the Tech School Facilities Acquisition Project with a fourteen-year fixed interest rate of 2.34% and maturities extending to 2036.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Tipping fee revenue is projected to increase in 2023 by 11.7% due to an increase in rates necessitated by cost increases in expenditures. Recycling revenue is projected to decrease, caused by continued recycle market instability and processing challenges faced by the Material Recycling Facility operator. The Solid Waste budget is on track for a net surplus. Economic Development expectations include lost project management revenue from the possible abandonment of a large project and decreased rent revenue due to delays in tenant construction. Revenue increases are expected in other operating income, for a total anticipated revenue decrease of 7.2%. Expenses are projected to decrease 4.2% on the overall budget, therefore the deficit expected in Economic Development will be greatly reduced. In developing the 2024 budget, the Authority proposes only to increase tipping fee rates as required to fund landfill closure/postclosure liabilities. The Authority continues to plan incremental increases over time to minimize the impact on its customers and governmental budgets.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (CONTINUED)

The Authority continues to augment and diversify its revenue stream with a business model that includes new landfill services, economic and redevelopment initiatives (shared service), conduit bond financing program, construction management, lease/rental agreements, and alternative energy projects. Additionally, the Authority has initiated several shared-service agreements with the municipalities and counties of Cumberland, Cape May, and Salem to expand services, increase efficiencies, and reduce operating costs.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Authority's customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Authority's President/CEO at the Cumberland County Improvement Authority, 745 Lebanon Road, Millville, NJ 08332, or e-mail info@theauthoritynj.com.

BASIC FINANCIAL STATEMENTS

EXHIBIT A

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021	
	Authority	Authority	Component Unit - CEZC
ASSETS			
CURRENT ASSETS - UNRESTRICTED:			
Cash	$ 947,603	$ 1,134,034	$ 7,401,383
Investments	500,000		
Accounts Receivable	1,810,294	1,589,506	
Loans Receivable	202,349	52,219	
Interest Receivable - Loans	9,233	42,037	
Grant Funds Receivable	192,435	453,853	88,769
Other Receivables	1,175,540	836,672	12,599
Lease Receivables	9,577,065	9,252,283	
Notes Receivable			60,417
Due from NJ IBank	877,604		
Due from Restricted Assets	92,811	472,207	
Inventories	291,127	159,412	
Prepaid Expenses	92,243	111,871	2,046
Total Current Assets - Unrestricted	15,768,304	14,104,094	7,565,214
CURRENT ASSETS - RESTRICTED:			
Accounts Required by the Authority's Bond Resolutions/Loan Agreements:			
Cash	68,528,343	76,814,354	
Cash Held by Fiscal Agent		300,558	
Investments	1,679,266		
Other Restricted Accounts:			
Cash	977,120	1,593,912	
Investments	718,420	2,322,647	
Interest Receivable	115,200	91,029	
Interfunds			
Total Current Assets - Restricted	72,018,349	81,122,500	-
NONCURRENT ASSETS:			
Investments - Accounts Required by Bond Resolutions	3,236,940		
Investments - Other Restricted Accounts	16,201,748	17,328,863	153,544
Investment in Redevelopment Sites	2,000,000	2,112,500	
Lease Receivables - Noncurrent	197,001,916	201,047,384	
Loans Receivable - Noncurrent	12,299,561	12,351,911	
Mortgages Receivable			3,364,492
Prepaid Bond Insurance	298,982	308,571	
Capital Assets, Net	146,033,856	154,711,398	21,102
Total Noncurrent Assets	377,073,003	387,860,627	3,539,138
TOTAL ASSETS	464,859,656	483,087,221	11,104,352
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Loss on Defeasance of Debt	62,073	108,201	
Deferred Amount Relating to Pensions	2,898,717	3,757,466	
Deferred Amount Relating to OPEB	951,238	1,021,899	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,912,028	4,887,566	-

(Continued)

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

EXHIBIT A

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021	
	Authority	Authority	Component Unit - CEZC
CURRENT LIABILITIES PAYABLE FROM UNRESTRICTED ASSETS:			
Accounts Payable - Operations	$ 1,431,507	$ 2,016,566	$ 84,892
Other Payables	1,038,507	2,184,327	
Accrued Liabilities	144,290	1,296,455	
Accrued Liabilities - Pension	691,778	670,181	
Note Payable			
Customer Deposits	154,400	149,400	
Security Deposits		185,084	
Landfill Taxes Payable	177,517	53,181	
Host Community Benefit Payable	50,167	299,205	
Unearned Revenue	245,714	148,332	
Unearned Grant Revenue	121,823	-	563,386
Total Current Liabilities Payable From Unrestricted Assets	4,055,703	7,002,731	648,278
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:			
Loans Payable	6,355,199	1,655,530	
Contracts Payable - Construction	1,139,821	282,850	
Contracts Payable - Retainage	138,905	337,705	
Revenue Bonds Payable	5,682,908	5,385,908	
Accrued Interest Payable - Revenue Bonds and Loans	1,211,003	1,276,939	
Due to Unrestricted Assets	92,811	472,207	
License Agreement Escrow		43,702	
Total Current Liabilities Payable From Restricted Assets	14,620,647	9,454,841	-
LONG-TERM LIABILITIES:			
Revenue Bonds Payable	138,028,621	148,492,682	
Loan Payable	10,576,245	12,178,609	33,841
Accrued Closure and Postclosure Care Costs	37,097,166	36,016,129	
Accrued Liability Pension	345,889	335,091	
Net Pension Liability	8,278,725	6,779,248	
Net OPEB Obligation	4,001,886	4,134,487	
Accrued Compensated Absences	195,677	197,498	
Total Long-Term Liabilities	198,524,209	208,133,744	33,841
Total Liabilities	217,200,559	224,591,316	682,119
DEFERRED INFLOWS OF RESOURCES:			
Deferred Amount Relating to Pensions	1,653,462	4,247,826	
Deferred Amount Relating to OPEB	625,910	262,160	
Deferred Amount Relating to Arts & Innovation Project	3,784,375	3,784,375	
Deferred Amount Relating to Leases	215,971,524	219,791,624	
TOTAL DEFERRED INFLOWS OF RESOURCES	222,035,271	228,085,985	-
NET POSITION:			
Net Investment in Capital Assets	41,566,477	43,145,115	
Restricted:			
Operations	2,082,700	1,945,840	
Debt Service	2,238,222	2,135,500	
Equipment Renewal and Replacement	1,692,233	777,152	
Unrestricted (Deficit)	(18,043,778)	(12,706,121)	10,422,233
Total Net Position	$ 29,535,854	$ 35,297,486	$ 10,422,233

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

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021	
	Authority	Authority	Component Unit - CEZC
OPERATING REVENUE:			
Landfill Tipping Fees	$ 15,099,094	$ 15,637,744	$
Lease/Rental Income	9,946,852	9,732,553	11,983
Interest Income on Leases	397,413	396,812	
Interest Income on Mortgages/Loans			151,223
Project Management Fee	1,037,911	1,010,668	
Renewable Energy Revenue	544,929	502,102	
Recycle Revenue	1,042,875	635,309	
Operating Grants	846,477	822,157	219,432
Project Income - Fleet Maintenance	176,003	285,166	
Administrative/ Bond Transaction Fee/ Real Estate Trans.	2,488	9,369	
Property Management Fee	1,065,473	1,030,457	
Other Operating Income	1,323,866	742,961	7,750
Total Operating Revenue	31,483,381	30,805,298	390,388
OPERATING EXPENSES:			
Cost of Providing Services	14,534,571	12,116,116	225,722
Administrative and General	4,231,080	4,149,051	330,880
Closure and Postclosure Costs	1,081,037	1,832,613	
Depreciation	9,802,070	9,265,817	
Total Operating Expenses	29,648,758	27,363,597	556,602
OPERATING INCOME (LOSS)	1,834,623	3,441,701	(166,214)
NON-OPERATING REVENUE (EXPENSES):			
Interest Income	593,725	361,641	
Interest Expense	(5,683,544)	(5,963,579)	
Net Increase (Decrease) in Fair Value of Investments	(2,540,881)	(789,430)	
Abandoned Projects	(818,007)		
Appropriated to County	(744,605)	(694,105)	
Premium Paid - Prepayment of Debt	(665,000)	-	
Debt Issue Costs Incurred	(65,219)	(190,019)	
Gain Disposal of Assets	1,491,396	67,862	
PILOT Program - Municipal	(9,334)	(14,833)	
Other Non-Operating Income	809,073	1,259,378	
Total Non-Operating Revenue (Expenses)	(7,632,396)	(5,963,085)	-
LOSS BEFORE CAPITAL CONTRIBUTIONS	(5,797,773)	(2,521,384)	(166,214)
CAPITAL CONTRIBUTIONS	36,141	324,370	
CHANGE IN NET POSITION	(5,761,632)	(2,197,014)	(166,214)
NET POSITION-BEGINNING	35,297,486	37,494,500	10,588,447
TOTAL NET POSITION-ENDING	$ 29,535,854	$ 35,297,486	$ 10,422,233

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

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers and Users	$ 29,659,229	$ 29,483,396
Cash Payments to Suppliers for Goods and Services	(16,814,552)	(6,352,117)
Cash Payments for Employee Services	(5,382,138)	(8,358,875)
Other Operating Receipts and Payments	1,228,859	1,424,876
Net Cash Provided by Operating Activities	8,691,398	16,197,280
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Appropriated to County	(744,605)	(694,105)
P.I.L.O.T. Program-Municipal	(9,334)	(14,833)
Loans/Lease Receivable	(729,976)	52,154
Operating Subsidies and Transfers	-	-
Other Non-Operating Revenue and Expenses	809,073	1,259,378
Net Cash Provided (Used) by Non-Capital Financing Activities	(674,842)	602,594
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(9,285,334)	(10,243,850)
Proceeds from Sale of Capital Assets	10,578,473	67,862
Proceeds from Loan/Lease Issues	4,205,410	2,400,000
Proceeds from Bond Issue	1,990,000	7,495,000
Premiums Received on the Issuance of Debt	-	994,113
Principal Paid on Bonds/Loans	(13,929,617)	(6,660,402)
Premium Paid on Prepayment of Debt	(665,000)	
Debt Issue Costs Paid	(65,219)	(190,019)
Interest Paid on Bonds	(5,693,763)	(5,965,627)
Capital Contributions	36,141	324,370
Net Cash Used by Capital and Related Financing Activities	(12,828,909)	(11,778,553)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investment Securities	(9,694,809)	(14,569,001)
Proceeds from Sale and Maturities of Investment Securities	4,547,816	13,921,861
Interest Received on Investments	569,554	373,503
Net Cash Used by Investing Activities	(4,577,439)	(273,637)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,389,792)	4,747,684
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	79,842,858	75,095,174
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 70,453,066	$ 79,842,858

(Continued)

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

EXHIBIT C

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH AND CASH EQUIVALENTS - STATEMENT OF NET POSITION:		
Cash and Cash Equivalents - Unrestricted	$ 947,603	$ 1,134,034
Accounts Required by Authority's Bond Resolutions/Loan Agreements:		
Cash and Cash Equivalents	68,528,343	76,814,354
Cash Held by Fiscal Agent	-	300,558
Cash and Cash Equivalents - Other Restricted Accounts	977,120	1,593,912
	$ 70,453,066	$ 79,842,858
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 1,834,623	$ 3,441,701
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	9,802,070	9,265,817
Increase (Decrease) in Cash Resulting From Changes in:		
Customer Accounts Receivable	(220,788)	(288,664)
Other Receivables	(338,868)	503,328
Lease Receivables	3,720,686	8,190,543
Operating Grants Receivable	261,418	(141,614)
Inventories	(131,715)	(8,654)
Prepaid Expenses	19,628	23,322
Deferred Outflows Related to Pensions	858,749	1,250,496
Deferred Outflows Related to OPEB	70,661	70,661
Accounts Payable - Operations	(585,059)	622,482
Other Payables	(1,145,820)	(49,423)
Accrued Liabilities	(1,152,165)	1,156,581
Customer & Security Deposits	(180,084)	(190,863)
Landfill Taxes Payable	124,336	136,015
Host Community Benefit Payable	(249,038)	(229,236)
Unearned Revenue	(12,044)	320,201
Unearned Grant Revenue	(5,513)	
License Agreement Escrow	(43,702)	(65,314)
Accrued Liabilities - Pension	32,395	105,984
Accrued Liabilities - OPEB	(132,601)	233,424
Accrued Compensated Absences	(1,821)	(8,560)
Net Pension Liability	1,499,477	(2,157,795)
Accrued Closure and Postclosure Costs	1,081,037	1,832,613
Deferred Inflows Related to Pensions	(2,594,364)	474,192
Deferred Inflows Related to Leases	(3,820,100)	(8,289,957)
Total Adjustments	6,856,775	12,755,579
Net Cash Provided by Operating Activities	$ 8,691,398	$ 16,197,280

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cumberland County Improvement Authority is a public body politic and corporate constituting a political subdivision of the State of New Jersey. It was established as an instrumentality exercising public and essential governmental functions under the provisions of the County Improvement Authorities Law, P.L. 1960, C.183 (N.J.S.A. 40:37A-44 et. seq.), as amended and supplemented. The Authority was established December 30, 1980 by resolution of the Board of Chosen Freeholders of the County of Cumberland.

Since its inception, the Authority's primary responsibility has been to maintain the financial stability and operating efficiencies of the solid waste facility in a deregulated atmosphere while continuing to offer and expand the environmentally beneficial programs to its constituency. The Authority's Solid Waste Complex is the home of the Sanitary Landfill and related solid waste and recycling initiatives. In addition to its primary responsibility of operating the County's Solid Waste Facility, the Authority has become the County's designated economic and redevelopment entity and has undertaken a significant redevelopment portfolio that includes the acquisition, construction, and property management of buildings occupied by state, county, municipal, not-for-profit and commercial tenants. Other activities include a "Conduit Bond Financing Program", alternative energy projects, and Shared Services Programs including but not limited to, Fleet Maintenance, Facilities Management, Project and Construction Management, Recycling, and real estate transactions on behalf of the County and other Municipalities.

As a public body, under existing statute, the Authority is exempt from both federal and state taxes.

Financial Reporting Entity

The Authority is a component unit of the County of Cumberland as it meets the financial accountability criteria for component units set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34, and* GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The financial statements of the County of Cumberland are not presented in accordance with generally accepted accounting principles (GAAP) and do not present the financial statements of its component units in accordance with those GASB Statements. The financial statements of the Authority would be either blended or discretely presented with those of the County reported using generally accepted accounting principles (GAAP) applicable to governmental entities.

Beginning in 2018, the Authority entered into an enhanced relationship with a not-for-profit entity, the Cumberland Empowerment Zone Corp. (CEZC), that met the criteria to be considered a component unit. In January 2022, the Authority adopted a resolution authorizing the termination of the Administrative and Managerial Services Agreement and the Property Development and Management Agreement by and between the Cumberland Empowerment Zone Corporation (CEZC) and the Authority effective December 31, 2021. As a result, for the year ended December 31, 2022, the CEZC is no longer considered a Component Unit of the Authority for financial reporting purposes. The 2021 financial statements of the CEZC are discretely presented in the Authority's financial statements. Discretely presented component units are reported in a separate column in the government's financial statements to emphasize that it is legally separate from the government.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

The CEZC issues a financial report that includes financial statements and supplementary information. That report may be obtained by contacting, the Executive Director of the Cumberland Empowerment Zone Corp., PO Box 847, Millville, NJ 08332.

Basis of Presentation

The accounts of the Authority are an enterprise fund. An enterprise fund is a Proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or the change in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

The accompanying financial statements are reported using the “economic resources measurement focus,” and the “accrual basis of accounting.” Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Authority are landfill tipping fees, lease/rental income, interest income on leases, project management fees, renewable energy revenue, recycle revenue, operating grant revenue, project income-fleet maintenance and property management fees. The Authority also recognizes recycling can school program and other recycling program revenues and bond transaction/financing fees, as operating revenue. Operating expenses include cost of providing services, administrative and general expenses, closure and postclosure costs and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

The Authority must adopt an annual budget in accordance with N.J.A.C. 5:31-2. The budget must be introduced by the governing body at least 60 days prior to end of the current fiscal year, and adopted no later than the beginning of the Authority’s fiscal year. The budget is adopted on the accrual basis of accounting with provision for cash payments for bond principal. Depreciation and amortization expense are not included as budget appropriations. The Authority may make budget transfers and amendments at any time, which must be

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

approved by resolution of the Authority and by the State of New Jersey Division of Local Government Services if the legal level line items are affected. Detailed line-item transfers not affecting the legal level line items may be made by management at any time. There are no statutory provisions that budgetary line items not be over-expended.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase. Investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to adopt a cash management plan and to deposit and/or invest its funds pursuant to that plan.

The governing body of the Authority has adopted a cash management plan (“the plan”) and, as required, approves the plan annually. The plan includes the designation of the public depositories to be utilized by the Authority to deposit public funds.

Eligible depositories are defined in section 1 of P.L. 1970, c.236 (C. 17.9-41) and are limited to banks or trust companies having their 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 with 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 governments and their component units.

N.J.S.A. 17:9-41 et. seq., which establishes the requirements for the security of deposits of governmental units, 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).

GUDPA 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 the State of New Jersey or state or federally chartered banks, savings banks or associations located in another state with 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 of at least five percent (5%) 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 full amount of their deposits to the governmental units.

The cash management plan adopted by the Cumberland County Improvement Authority requires it to deposit funds in public depositories protected from loss under the provisions of GUDPA.

Accounts Receivable

The Authority has provided for doubtful accounts by the allowance method. The allowance for doubtful accounts is based upon management’s estimate of potentially uncollectible accounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses

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

Inventory

Inventory is stated at cost determined on a first-in, first-out basis. Inventories of recyclables on hand have no cost basis and therefore are not reflected in the Statements of Net Position.

Capital Assets

Capital assets, which consist of property, plant and equipment are stated at cost, which includes direct construction costs and other expenditures related to construction.

Capital assets are defined by the Authority as assets with an initial individual cost of $5,000 or more and an estimated useful life in excess of one year.

Construction in progress is stated at cost. Construction costs are charged to construction in progress until such time as the facility is put into operation.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets for all plant and equipment with the exception of landfill cells, which are being depreciated based upon the percentage of waste landfilled to the total projected capacity of the cell. Depreciation is provided over the following useful lives:

Buildings and Improvements	20-50 Years
Improvements Other Than Buildings:	
Infrastructure	20 Years
Landfill Cells	(See above)
Machinery and Equipment	3, 5 and 10 Years
Office Furniture and Equipment	10 Years

Bond Premiums and Discounts

Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources (Continued)

The Authority reports the following as deferred outflows of resources:

Defined Benefit Pension Plans – The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contribution and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

Deferred Loss on Defeasance of Debt – The deferred loss on defeasance of debt is recorded as a deferred outflow of resources. It is amortized over the shorter of the remaining life of the old debt or new debt based upon the interest method as a component of interest expense.

Other Post-Employment Benefits (OPEB) – The difference between expected (actuarial) and actual experience and changes in actuarial assumptions are reported as deferred outflows.

The Authority reports the following as deferred inflows of resources:

Defined Benefit Pension Plans – The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contribution and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

Other Post-Employment Benefits (OPEB) – The difference between expected (actuarial) and actual experience and changes in actuarial assumptions are reported as deferred inflows.

The Authority also reports the deferred amount relating to the Arts & Innovation Project and deferred amounts relating to lease revenues as deferred inflows of resources.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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

For the year ended December 31, 2018, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for*

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other than Pensions (Continued)

Postemployment Benefits Other Than Pensions (GASB 75). In September 2016, the Authority switched from the State Health Benefits Program (SHBP) to a self-insured plan. The Authority records its other postemployment benefits cost (expense) based on the actuarially determined amount. Required financial statement disclosures are included in Note 5.

Conduit Debt Obligations

The Authority has issued certain debt bearing its name to lower the cost of borrowing for specific governmental third parties. This debt is commonly referred to as conduit or non-commitment debt. The underlying Lease or Loan Agreements, which serve as collateral for the promise of payments by the third parties, call for payments that are equal to those required by the debt. These payments are made by the third party directly to an independent trustee who is appointed to service and administer the arrangement.

The Authority assumes no responsibility for repayment of this debt beyond the resources provided by the underlying Lease or Loan Agreements which is payable from the third party's revenues, but which is also a general obligation of the third party payable ultimately from the levy of *ad valorem* taxes on all real property in the third party's jurisdiction. As of December 31, 2022 and 2021 there were four Series of Conduit Bonds outstanding in the aggregate principal amount of $87,640,000 and $102,715,000 respectively, which are treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board and are therefore not included in the financial statements. Note that included in the $87,640,000 outstanding as of December 31, 2022 is $13,000,000 of City of Vineland Electric Utility Bonds, Series 2009B originally issued by the Authority. In June 2019, the City of Vineland issued its Electric Utility Refunding Bonds Series 2019 and established a Revocable Escrow Account with TD Bank that provided for the economic defeasance of the City's Series 2009 Bonds. That escrow is being used by the Trustee to pay the debt service due on the Authority's Series 2009B Bonds, however, since it was a Revocable Escrow, the Authority's Bonds are still deemed outstanding.

Net Position

In accordance with the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis –for State and Local Governments*, the Authority has classified its net position into three components. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

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

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

Grants

Contributions received from various sources as grants are recorded in the period earned. Developer financed construction is recorded in the period in which applicable construction costs are incurred. Donated assets are recorded at fair market value at the date of the gift. Grants not externally restricted and utilized to finance operations are identified as operating revenue.

Grants externally restricted for non-operating purposes are recorded as capital contributions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. The estimates and assumptions affect the amounts reported in the financial statements. The actual results may differ from these estimates.

Income Taxes

The Authority is exempt from income taxes pursuant to Internal Revenue Code Section 115.

Subsequent Events

Management has evaluated subsequent events through September 22, 2023, the date the financial statements were available for issue.

Reclassifications

Certain prior year financial statement information has been reclassified to conform to the current year presentation. These reclassifications have no effect on the prior year net position or change in net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations (GASB 91). The primary 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 also requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. The requirements of this Statement were originally scheduled to be effective for reporting periods beginning after December 15, 2020 but has been postponed one year by GASB 95 as a result of the COVID-19 pandemic. The adoption of this Statement had no material impact on the Authority's financial statements.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The primary objectives of this Statement 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. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports.
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan.
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits.
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition.
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature.
- Terminology used to refer to derivative instruments.

The requirements of Statement 92 related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments became effective upon issuance and had no had no impact on the Authority's financial statements. However, the remaining requirements of this Statement were originally scheduled to be effective for reporting periods beginning after June 15, 2020 but has been postponed one year by GASB 95 as a result of the COVID-19 pandemic. The adoption of this Statement had no material impact on the Authority's financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Pronouncements (Continued)

In June 2020, the GASB issued 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 requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of this Statement had no material impact on the Authority's financial statements.

Recent Accounting Pronouncements Not Yet Effective

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The primary objectives of this Statement are to address implementation issues related to GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended. GASB 53 requires any government entity must eliminate hedge accounting when it renegotiates or changes critical terms of a hedge agreement, such as no longer relying on the London Interbank Offered Rate (LIBOR) when it ceases to exist in its current form at the end of 2021. The requirements of this Statement were originally scheduled to be effective for reporting periods beginning after December 31, 2021 but has been postponed one year by GASB 95 as a result of the COVID-19 pandemic. The Authority has no derivative instruments as they are prohibited by the State of New Jersey statutory requirements. As a result, management does not expect any impact of the adoption of this Statement on the Authority's financial statements.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objectives of this Statement are 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. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement and has not yet determined the impact of this Statement on the financial statements.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objectives of this Statement are to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements Not Yet Effective (Continued)

underlying IT assets), as specified in the contract for a period of time in an exchange or exchange like transaction. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement and has not yet determined the impact of this Statement on the financial statements.

In April 2022, the GASB issued Statement No. 99, Omnibus 2022. The Objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistence of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges for futures revenues by pledging governments, clarification of certain provisions in Statement 34, as amended and terminology updates related to Statement 53 and Statement 63 are effective immediately. The requirements related to leases, PPP's and SBITAs will become effective for fiscal years beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will become effective for the fiscal years beginning after June 15, 2023. Management does not expect this Statement will have an impact on the financial statements.

In June 2020, the GASB issued Statement No. 100, Accounting Changes and Error Corrections. The primary objective of this Statement is to enhance accounting and financial requirements for accounting changes and error correction to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirement of the Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Management is currently evaluating the impact of the adoption of this Statement and has not yet determined the impact of this Statement on the financial statements.

In June 2022, the GASB issued Statement No. 101, Compensated Absences. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements Not Yet Effective (Continued)

been used and (2) leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non cash means. This Statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Management is currently evaluating the impact of the adoption of this Statement and has not yet determined the impact of this Statement on the financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

In accordance with the Authority's Solid Waste System Revenue Bond Resolution, as supplemented by the Series 2006 Solid Waste System Revenue Bond Resolution, and the Series 2015A County Guaranteed Solid Waste Revenue Refunding Bond Resolution, the Authority has established the following cash and investment accounts for the deposit of all revenues received by the Authority for the Solid Waste Facility:

Construction Fund - Proceeds from any source for payment of costs related to the construction, acquisition or restoration of any System Component, including grants, loans, proceeds derived from the issuance of bonds and insurance proceeds. Payments of costs related to the construction or acquisition of the Facilities Project.

Gross Revenue Fund - Transfers to the Closure/Post Closure Funds, and the Authority Revenue Fund.

Authority Revenue Fund - Balance of funds remaining in the Gross Revenue Fund after the applicable transfers have been made from that fund. Transfers to the Operating Fund, principal and interest accounts in the Bond Service Fund, Bond Reserve fund, if necessary, transfers to pay amounts due to the County pursuant to the County guarantee, if any, transfers to Renewal and Replacement Accounts, the General Fund and the Rebate Fund.

Operating Fund - Amounts necessary to meet the Operating Fund Requirement. Amounts required for operating expenses.

Bond Service Fund Account - The portion of each principal installment that would accrue during such period if each installment were deemed to accrue daily in equal amounts from the preceding installment due date.

Bond Service Fund Capitalized Interest Account - Proceeds of the Series 2006 Bonds as determined by an authorized officer of the Authority. Payment of interest on the bonds during the construction period.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Solid Waste System Revenue Bond Resolution (Continued)

Bond Reserve Fund - An amount equal to the maximum annual principal and interest payable during the current or any subsequent fiscal year on the bonds, not to exceed 10% of the proceeds of any bonds issued under the resolution. Payment of debt service on the Series 2015A Bonds or amounts needed to bring the Bond Service Accounts up to the Bond Service Requirement.

General Renewal - An amount, if any, needed to equal the system reserve requirement. Transfers to Bond Reserve Fund, if needed, to satisfy the Bond Reserve Requirement and/or reasonable and necessary expenses with respect to Systems Components for major repairs, renewals, replacements or maintenance items of a type not recurring annually or at shorter intervals.

Landfill Cell Replacement Account - Amounts as to be determined by the Authority. Subsequent phase (landfill cell) development.

Equipment Renewal and Replacement Account - Amounts to be determined by the Authority. Replacement of operating equipment.

General Fund - The amount remaining after all required transfers have been made.

Rebate Fund - An amount required to meet the Authority's rebate obligation. Rebates of arbitrage earnings to the United States Government.

In accordance with the Authority's 2014 County Guaranteed Facilities Acquisition Revenue Bond Resolution, the Authority has established the following cash and investment accounts for the deposit of all related revenue:

Construction Fund - Monies from any source for payment of costs related to the construction, acquisition, or restoration of the Facilities Project, including any monies received from the proceeds of insurance, and condemnation awards that are applied to the Facilities Project. Costs related to the construction or acquisition of the Facilities Project.

Revenue Fund - All amounts received by the Authority as rent by any tenant of the facilities pursuant to any lease; payments by County pursuant to County Guaranty; and any amounts received as security for the payment of a particular series of bonds. Insurance proceeds in excess of condemnation award that are not applied to the repair or replacement of the Facilities Project. Transfers to Debt Service Fund to satisfy the Bond Service Requirement.

Debt Service - The portion of each principal and interest installment to meet the Debt Service Requirement. Payment of principal and interest due on the bonds; payment of a particular series of bonds.

Sinking Fund - An amount equal to one-tenth (1/10) of the amount due and payable on or before the next succeeding twelve-month period. Sinking Fund Installments which are due and payable.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Authority's 2014 County Guaranteed Facilities Acquisition Revenue Bond Resolution (Continued)

Rebate Fund - An amount required to meet the Authority's rebate obligation. Rebates of arbitrage earnings to the United States Government.

General Fund - The amount remaining after all required transfers have been made.

General Fund Cost of Issuance – The amount to pay the costs and expenses which are incurred in connection with the Bonds. Costs and expenses relative to the issuance of the Bonds.

Operating Fund - Amounts necessary to meet the Operating Fund Requirement. Amounts required for operating expenses.

In accordance with the Authority's 2015 Lease Revenue Bonds – State Office Buildings Project (Series 2015), the Authority has established the following cash and investment accounts for the deposit of all related revenue:

Construction Fund - Monies from any source for payment of costs related to the construction, acquisition or restoration of the Facilities Project, including any monies received from the proceeds of insurance, and condemnation awards that are applied to the Facilities Project. Costs related to the construction or acquisition of the Facilities Project.

Debt Service Requirement - The portion of each principal and interest installment to meet the Debt Service. Payment of principal and interest due on the bonds; payment of a particular series of Bonds.

Rebate Fund - An amount required to meet the Authority's rebate obligation. Rebates of arbitrage earnings to the United States Government.

General Fund - The amount remaining after all required transfers have been made.

In accordance with the Authority's 2017 Lease Revenue Bonds – City General Obligation Lease Revenue Bonds (Vineland Public Safety Building Project, Series 2017), the Authority has established the following cash and investment accounts for the deposit of all related revenue:

Acquisition Fund – Proceeds from the Series 2017 Bonds and certain other sources to be used for payment of costs related to the construction, acquisition of the Facilities Project, To the extent not otherwise utilized, moneys shall be transferred to the Debt Service Fund.

Revenue Fund - All amounts received by the Authority as lease payments pursuant to the lease agreement with the City of Vineland; certain other payments by the City pursuant to the lease agreement or Trust Indenture. Transfers to Debt Service Fund to satisfy the Debt Service Requirement.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

2017 Lease Revenue Bonds Resolution (Continued)

Debt Service - The portion of each principal and interest installment to meet the Debt Service Requirement. Payment of principal and interest due on the bonds; payment of a particular series of bonds.

Debt Service Capitalized Interest – A portion of the proceeds of the Series 2017 Bonds in an amount to equal the Capitalized Interest on the Bonds. Payment of Capitalized Interest on the Series 2017 Bonds.

Operating Fund – Proceeds of the Series 2017 Bonds and any City of Vineland moneys, as may be the case, representing costs of issuance, the initial Authority Financing Fee and Authority Administrative Expenses as defined.

Proceeds Fund – Revenues paid pursuant to the Lease Agreement and not necessary to complete the Construction Project or any Additional Projects shall be transferred from the Acquisition Fund to the Proceeds fund and applied as a credit toward the City's Lease Payment obligations.

Debt Retirement Fund – Subject to certain limitations, if on any Lease Payment Date the amount on deposit in the Debt Service Fund is less than the amount required to be in such fund, funds shall be transferred from the Debt Retirement Fund to the Debt Service Fund. If funds are available in the Debt Retirement Fund that are not required to make up any deficit in the Debt Service Fund, the amounts shall be applied to the purchase or redemption of the applicable series of Bonds.

Rebate Fund - An amount required to meet the Authority's rebate obligation. Rebates of arbitrage earnings to the United States Government.

In accordance with the Authority's 2018 Lease Revenue Bonds – County Guaranteed Lease Revenue Bonds (County Correctional Facility Project, Series 2018), the Authority has established the following cash and investment accounts for the deposit of all related revenue:

Acquisition Fund – Proceeds from the Series 2018 Bonds and certain other sources to be used for payment of costs related to the construction of the Project. To the extent not otherwise utilized, moneys shall be transferred to the Debt Service Fund.

Revenue Fund - All amounts, including lease payments received by the Authority from the County under the lease agreement with the County of Cumberland or pursuant to the Guaranty of the County; certain other payments by the County pursuant to the lease agreement or Trust Indenture. Transfers to Debt Service Fund to satisfy the Debt Service Requirement.

Debt Service - The portion of each principal and interest installment to meet the Debt Service Requirement. Payment of principal and interest due on the bonds; payment of a particular series of bonds.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

2018 Lease Revenue Bonds Resolution (Continued)

Debt Service Capitalized Interest – A portion of the proceeds of the Series 2018 Bonds in an amount to equal the Capitalized Interest on the Bonds. Payment of Capitalized Interest on the Series 2018 Bonds.

Operating Fund – Proceeds of the Series 2018 Bonds and any County of Cumberland moneys, as may be the case, representing costs of issuance, the initial Authority Financing Fee and Authority Administrative Expenses as defined.

Proceeds Fund – Revenues paid pursuant to the Lease Agreement and Trust Indenture and not necessary to complete the Construction Project or any Additional Projects shall be transferred from the Acquisition Fund to the Proceeds fund and applied as a credit toward the County's Lease Payment obligations.

Debt Retirement Fund – Subject to certain limitations, if on any Lease Payment Date prior to any Interest Payment Date or Principal Installment due date, the amount on deposit in the Debt Service Fund is less than the amount required to be in such fund, funds shall be transferred from the Debt Retirement Fund to the Debt Service Fund. If funds are available in the Debt Retirement Fund that are not required to make up any deficit in the Debt Service Fund, the amounts shall be applied to the purchase or redemption of the applicable series of Bonds.

Rebate Fund - An amount required to meet the Authority's rebate obligation. Rebates of arbitrage earnings to the United States Government.

In accordance with the Authority's 2019 County Guaranteed Revenue Bonds – (Authority Administration Building Project, Series 2019), the Authority has established the following cash and investment accounts for the deposit of all related revenue:

Acquisition Fund – Proceeds from the Series 2019 Bonds and certain other sources to be used for payment of costs related to the construction of the Project. To the extent not otherwise utilized, moneys shall be transferred to the Debt Service Fund.

Revenue Fund - All Revenues as defined in the Trust Indenture. All monies deposited in the Revenue Fund shall be held in trust for the benefit of the Holders, but shall be disbursed and applied solely for the uses and purposes set forth in the Trust Indenture.

Operating Fund – Proceeds of the Series 2019 Bonds representing costs of issuance.

Debt Service – Revenues to pay each principal and interest installment to meet the Debt Service Requirement. Any moneys paid to the Authority pursuant to the County Guaranty shall be deposited in the Debt Service Fund and applied to the payment of principal and interest due on the bonds.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

In addition to the accounts required by the Bond Resolutions, the Authority has also established the following restricted accounts:

Taxes Account - An account in which the State of New Jersey mandated Sanitary Landfill Taxes and Host Community Benefit Tax are deposited and remitted to the proper authorities.

Closure and Postclosure Escrow Funds - Accounts in which a mandatory portion of the Tipping Fee is deposited per the New Jersey Department of Environmental Protection (NJDEP) requirements. May only be used for expenses with respect to the proper closure and post-closure of the landfill.

Development Account – An account established for the purpose of enabling the Authority to act as a vehicle for economic development within the County.

COMPLIANCE WITH THE RATE COVENANT CONTAINED IN THE AUTHORITY'S SOLID WASTE BOND RESOLUTION

Section 712 (2) of the Authority's Solid Waste Bond Resolution requires the Authority to estimate, compute, make and charge rates so that Authority Revenues, as defined in the Resolution, shall at least equal 110% of Bond Service, plus the amount needed, if any, for the Operating Fund to equal the Operating Fund Requirement; the Bond Reserve Fund to equal the Bond Reserve Requirement; the Renewal and Replacement Fund to equal the System Reserve Requirement; to provide the amount which is payable during the Fiscal Year to amortize any future closure costs; to provide for payment of all other charges related to the System which are payable out of such charges; to provide for any amounts required to be paid during the Fiscal Year pursuant to any Authority Agreement; to provide for payment of any additional amounts which are necessary to comply with the provisions of the Resolution and all other statutory and legal obligations of the Authority relating to the operation of the System or in the provision of Disposal Services.

Revenues are defined in the Authority's Bond Resolution to be "any funds, other than funds which have been borrowed by the Authority, which the Authority deposits in the Revenue Fund, regardless of the source thereof." For the years 2022 and 2021, Revenues as defined were sufficient to meet the rate covenant contained in Section 712 (2) of the Authority's Bond Resolution.

COMPLIANCE WITH THE LOAN COVENANT REQUIRED BY THE AUTHORITY'S SERIES 2017 AND 2018 BOND AGREEMENTS

Section 7.12 of the Series 2017 Bond Agreement states "the Authority shall maintain a ratio of Net Operating Income divided by the sum of: (i) interest expense on all obligations directly associated with the Pledged Property; and (ii) all regularly scheduled principal reductions under the Bond and under any other indebtedness directly associated with the Pledged Property of not less than 1.30 times (the "Debt Service Coverage Ratio Requirement").

For purposes of this Bond Agreement, Net Operating Income shall be defined as the net income received from the Pledged Property, after taxes, plus depreciation expense, plus amortization of goodwill and all other intangible assets, plus interest expense accrued on all interest-bearing obligations associated with the Pledged Property." For the year 2022, the Authority met the Debt Service Coverage Ratio Requirement contained in the Series 2017 Bond Agreement. For the year 2021 the requirement was waived by the lender.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

AMOUNTS REQUIRED BY BOND RESOLUTIONS

The following cash and investment accounts are required by the Authority's Solid Waste Bond Resolutions:

	Series 2015 A Operating Fund		Series 2015 A Bond Reserve Fund		Series 2015A Debt Service Fund
Required Amount	$ 2,082,700		$ 1,958,950		$ 1,842,900
Cash and Investments	686,223		1,934,523		1,964,488
Surplus (Deficit)	$ (1,396,477)	*	$ (24,427)	**	$ 121,588

*Deficit is the result of timing differences – additions were made to the Operating Fund in January 2023.

** Note this deficit is the result of a decrease in fair value. On a cost basis the requirement would be met.

The following cash and investment accounts are required by the Lease Revenue Bond Resolutions:

	Series 2014 Debt Service Fund	Series 2015 Debt Service Fund
Required Amount	$ 496,727	$ 144,946
Cash and Investments	590,727	294,255
Surplus (Deficit)	$ 94,000	$ 149,309

ARBITRAGE RULES

The Authority is subject to certain arbitrage rules added to the Internal Revenue Code in 1969 and amended by TEFRA in 1992 and by the 1986 TRA. Under these rules, interest earnings on certain investments of proceeds of the Authority's bonds are subject to the limitations imposed by the arbitrage provisions of the Internal Revenue Code. The Authority is required to rebate certain arbitrage profits on non-purpose investments at least once every five years. At December 31, 2022 and 2021, no material arbitrage profits were subject to rebate.

NOTE 3 DETAIL NOTES - ASSETS

CASH AND CASH EQUIVALENTS

At December 31, 2022 the carrying amount and bank balance of the Authority's time and demand deposits were $1,141,091 and $1,983,308, respectively. At December 31, 2021 the carrying amount and bank balance of the Authority's time and demand deposits were $2,501,110 and $3,170,489, respectively. All of the time and demand deposits were covered by either federal deposit insurance or by the Governmental Unit Deposit Protection Act (GUDPA).

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. Although the Authority does not have a formal policy regarding custodial credit risk, as described in Note 1, 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.

Under the Act, the first $250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). The Authority's public funds in excess of the FDIC insured amounts are protected by GUDPA. As of December 31, 2022, $500,000 of the Authority's bank balance of $1,983,308 was insured and $1,483,308 was uninsured and collateralized. As of December 31, 2021, $500,000 of the Authority's bank balance of $3,170,489 was insured and $2,670,489 was uninsured and collateralized.

In addition to the bank deposits described above, as of December 31, 2022 and 2021, the Authority had $58,369,575 and $58,973,365 respectively, invested in government money market funds which are not covered by federal deposit insurance or by GUDPA, but which invest exclusively in general obligations issued by the U.S. Government and backed by its full faith and credit and which carries a credit rating of AAA.

At December 31, 2022 and 2021 the Authority had $10,942,400 and $18,067,4825 respectively, invested in the New Jersey Cash Management Fund ("the Fund") which is not covered by either federal deposit insurance or by GUDPA. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above.

At December 31, 2022 and 2021 the Authority also reported Cash Held by Fiscal Agent in the amount of $0 and $300,558 respectively, consisting of proceeds from a term loan with a banking institution that are being held by that banking institution for expenditures to be made for the Authority's Food Specialization Project.

INVESTMENTS

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. All of the Authority's investments ($22,336,374 at December 31, 2022 and $19,651,510 at December 31, 2021) in U.S. Treasury obligations and agencies and other governmental agencies are held in the name of the counterparty not in the name of the Authority.

Interest Rate Risk- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

INVESTMENTS (CONTINUED)

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits the investments that the Authority may purchase in order to limit the exposure of governmental units to credit risk. The Authority's Cash Management Plan also limits its investment choices to those permitted by N.J.S.A. 40A:5-15.1.

Concentration of Credit Risk – The Authority does not place a limit on the amount that may be invested in any one issuer. All of the Authority's investments are government bonds held in various Federal Agencies, NJ State Agencies, NJ Counties or School Districts.

Fair Value Measurements – The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of December 31, 2022, the Authority had the following investments and maturities which are measured using Level 1 inputs.

Quality/Rating	Total Fair Value
Treasury/Agency	$ 19,961,908
AA2	205,180
A2	561,750
Other	1,607,536
Total Investments	$ 22,336,374

	Investment Maturities (in Years)			
Total	Less than 1	1-5	6-10	Greater than 10
$ 22,336,374	$ 2,897,686	$ 14,095,914	$ 4,151,897	$ 1,190,877

As of December 31, 2021, the Authority had the following investments and maturities which are measured using level 1 inputs.

Quality/Rating	Total Fair Value
Treasury/Agency	$ 17,555,408
AA2	246,448
A2	743,955
Other	1,105,699
Total Investments	$ 19,651,510

	Investment Maturities (in Years)			
Total	Less than 1	1-5	6-10	Greater than 10
$ 19,651,510	$ 3,322,648	$ 8,168,758	$ 5,766,322	$ 2,393,782

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

INVESTMENTS (CONTINUED)

INVESTMENTS IN REDEVELOPMENT SITES

On July 1, 2018, the Cumberland County Board of Vocational Education (“District”) transferred and conveyed the ownership and operation of certain land and improvements located in the Township of Deerfield, New Jersey (“Township”) to the Authority for $1 in order to advance redevelopment on behalf of the Township. The property is valued at fair market value based upon a subsequently executed agreement of sale in the amount of $2,000,000. Upon the completion of the sale, pursuant to the transfer of ownership agreement, the Authority will be entitled to 70% of the proceeds, and the District will be entitled to 30%. Closing on the sale had not yet taken place as of December 31, 2022 and the investment in the amount of $2,000,000 and $2,112,500 as of December 31, 2022 and 2021, respectively, is reported in the Statement of Net Position .

GRANT FUNDS RECEIVABLE AND UNEARNED GRANT REVENUE

The amounts reflected in Exhibit A as grant funds receivable and unearned grant revenue consist of the following:

Name of Grant	Receivable (Unearned Revenue) Jan. 1, 2021	Earned/ Expended 2022	Received 2022	Receivable (Unearned Revenue) Dec. 31, 2022
NJDEP:				
Recycling Grants:				
REA Tax Entitlement Grant 2021	$ -	$ 149,859	$ -	$ 149,859
Clean Communities (Passed through the County of Cumberland) 2022	(20,996)	211,038	190,042	-
NJ LEAP Grant - FY 2020	97,406		97,406	-
Community Foundation (Heart & Soul)	(16,151)	28,495	35,000	(22,656)
CDBG Grant	81,447	387,089	468,536	-
FEMA Grant		49,930	36,503	13,427
Opportunity Zone Grant	25,000			25,000
NJEDA Grant - Atlantic St		4,149		4,149
NJEDA Grant - BDT Project	(111,185)	12,017		(99,168)
ARPA - Rental Relief Grant		37,634	37,634	-
				-
USEDA Food Project Grant	250,000	-	250,000	-
	$ 305,521	$ 880,211	$ 1,115,121	$ 70,611

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

LOANS RECEIVABLE

In May 2016, the Authority entered into a loan agreement in the amount of $521,556 with the Township of Deerfield for the purchase of a special emergency and fire rescue vehicle. The loan bears interest at a rate of 0.25% per annum on the unpaid principal balance. Principal payments in the amount of $52,876 will be made in ten annual payments beginning on July 1, 2017 and ending July 1, 2026. The balance at December 31, 2022 and 2021 is $210,185 and 262,405 respectively. The current portion of the receivable at December 31, 2022 is $52,219.

In 2015, the Authority adopted several resolutions with respect to the Arts & Innovation Center to be used by the Cumberland County College for its Arts & Business Innovation Campus (Project) including resolutions 1) authorizing the acquisition of the Project, 2) approving contracts with the architect to design the Project and with the general contractors to construct the Project, 3) approving entering into a Development Agreement with the Millville Urban Redevelopment Corporation (MURC). In 2016 it was determined it would be beneficial for the Project to be financed through utilizing the federal New Markets Tax Credit (NMTC). As a result, in April 2016 the Authority adopted a resolution making findings and determinations with respect to the authorization of various transactions related to the ownership, development, construction, financing and management of the Arts and Innovation Center Project and to the execution and delivery of various agreements by the Authority in connection therewith. This resolution defined the Authority's role in the transaction to be that of a Leveraged Lender authorizing the Authority to make a leveraged loan in an amount equal to $4,784,375 to Millville Arts Center Investment Fund, LLC.

The Leveraged Loan was made on May 19, 2016 and is evidenced by a Loan Agreement and a Promissory Note. Terms of the Loan call for interest only payments to be made to the Authority for the first seven (7) years of the loan at an interest rate of 75/100 of One Percent (0.75%).

Beginning in the year 2023, through the year 2036, the balance of principal and interest shall amortize on a basis of a fifty-two (52) year schedule. Beginning in 2037, the principal and interest shall amortize on the basis of a twenty (20) year schedule through the maturity date of May 18, 2056.

The leveraged loan was funded from the following sources - proceeds in the amount of $3,200,000 from the issuance of taxable Chapter 12 Bonds by the County of Cumberland for the benefit of the College; proceeds of a loan from the Cumberland Empowerment Zone Corporation (CEZC) in the principal amount of $1,000,000; a New Jersey Department of Community Affairs grant in the amount of $540,003 passed through the Holly City Development Corporation; and the Authority made a capital contribution towards the Project in the amount of $200,000 as well as an additional amount advanced in the amount $44,372. The balance of the leveraged loan receivable as of December 31, 2022 and 2021 is $4,784,375, all of which is non-current.

In March of 2018 the Authority adopted a resolution approving a project and project financing for a Food Specialization Project ("Project") located in the City of Bridgeton, New Jersey. The Authority acquired the property for the Project from the City of Bridgeton and is acting as developer for the project undertaking the design, development, financing and construction

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

LOANS RECEIVABLE (CONTINUED)

of the Project. In May of 2018 the Authority entered into a Fund Loan Agreement with 481 Bridgeton Investment Fund, LLC. (“Borrower”). Pursuant to the agreement the Authority provided a leveraged loan in the principal amount of $7,357,350 to the Borrower related to the development of the Project. Funds for the leveraged loan were derived from the proceeds of a $7,357,350 “source loan” from a local lender. The leveraged loan has a 30-year term, maturing May 23, 2048 at an interest rate of 1.78% per annum. The Authority is to receive interest only payments for the first seven (7) years of the loan term. Beginning in the year 2025, through the year 2032, the balance of principal and interest shall amortize on a basis of a fifty (50) year amortization. Thereafter, the principal and interest shall amortize on the basis of a sixteen (16) year schedule through the maturity date of May 23, 2048. The balance of the leveraged loan receivable as of December 31, 2022 and 2021 is $7,357,350, all of which is non-current.

LEASE RECEIVABLES AND DEFERRED INFLOWS – LEASES

The Authority leases certain buildings/properties to the State of New Jersey, County of Cumberland, City of Vineland, certain Not-for-Profit Entities and Commercial enterprises. The lease terms are as follows:

Lesee	Number of Leases	Lease Term
County of Cumberland	4	(2) Leases are for 20 years; (2) Leases are for 10 Years with (2) 5-year extensions; (1) Lease is for 40 years
State of New Jersey	6	(5) Leases are for 10 years with (2) 5-year extensions (1) Lease is for 8.75 years
City of Vineland	2	(1) Lease is for 15 years; (1) Lease is for 25 years
Not-For-Profit Organizations	3	5-6 years
Commercial Entities	2	(1) Lease is for 3 years; (2) Lease is month-to-month
Vineland Board of Education	1	5 Years
Cumberland Cty Voc Education	1	15 Years

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

LEASE RECEIVABLES AND DEFERRED INFLOWS – LEASES (CONTINUED)

For lease payments that secure the Authority's debt related to the leased property, there are no provisions for the lessee to terminate or abate lease payments prior to the end of the lease term. Deferred Inflows recognized in 2022 and 2021 were $9,920,333 and $9,731,774 respectively and the Interest portion of Lease payments received in 2022 and 2021 was $397,413 and $396,812 respectively.

The following is a summary of changes in lease receivables for the years ended December 31, 2022 and 2021.

	Balance Jan. 1, 2022	2022 Leases	2022 Cancellations	2022 Reductions	Balance Dec. 31, 2022	Amounts Due Within One Year
Lease Receivables	$ 210,299,667	$ 6,662,568	$ (562,335)	$ (9,820,919)	$ 206,578,981	$ 9,577,065

	Balance Jan. 1, 2021	2021 Leases	2021 Cancellations	2021 Reductions	Balance Dec. 31, 2021	Amounts Due Within One Year
Lease Receivables	$ 218,490,210	$ 1,441,817	$ -	$ (9,632,360)	$ 210,299,667	$ 9,252,283

The annual lease payments to be received by the Authority, including principal and interest, as of December 31, 2022 are as follows:

Year Ending December 31,	Future Lease Payments Principal	Interest	Total
2023	9,577,065	$ 384,629	$ 9,961,694
2024	9,581,628	386,470	9,968,098
2025	9,508,301	382,417	9,890,718
2026	8,652,379	364,058	9,016,437
2027	8,673,274	364,893	9,038,167
2028-2032	44,309,834	1,861,895	46,171,729
2033-2037	37,503,581	1,577,631	39,081,212
2038-2042	24,821,248	1,097,372	25,918,620
2043-Thereafter	53,951,671	2,483,596	56,435,267
	$ 206,578,981	$ 8,902,961	$ 215,481,942

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance Jan. 1, 2022	Additions	Reductions	Balance Dec. 31, 2022
Non-Depreciable Capital Assets:				
Land	$ 6,902,074	$ 793,158	$ 2,814,056	$ 4,881,176
Construction In Progress	22,403,122	8,257,820	9,658,021	21,002,921
Total Non-Depreciable Capital Assets	29,305,196	9,050,978	12,472,077	25,884,097
Depreciable Capital Assets:				
Building and Related Improvements	115,448,601	4,564,534	7,608,550	112,404,585
Improvements Other than Buildings	88,385,602	5,367,215	41,532	93,711,285
Machinery And Equipment	20,155,616	961,251	1,263,375	19,853,492
Office Equipment	652,894		19,674	633,220
Total Depreciable Capital Assets	224,642,713	10,893,000	8,933,131	226,602,582
Less Accumulated Depreciation:				
Building and Related Improvements	33,749,708	4,539,288	1,373,400	36,915,596
Improvements Other than Buildings	50,487,641	3,733,770	4,003	54,217,408
Machinery And Equipment	14,414,053	1,520,147	1,188,681	14,745,519
Office Equipment	585,109	8,865	19,674	574,300
Less Accumulated Depreciation	99,236,511	9,802,070	2,585,758	106,452,823
Net Depreciable Capital Assets	125,406,202	1,090,930	6,347,373	120,149,759
Total Capital Assets, Net	$154,711,398	$10,141,908	$18,819,450	$146,033,856

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance Jan. 1, 2021	Additions	Reductions	Balance Dec. 31, 2021
Non-Depreciable Capital Assets:				
Land	$ 6,753,174	$ 148,900	$ -	$ 6,902,074
Construction In Progress	28,489,979	7,189,272	13,276,129	22,403,122
Total Non-Depreciable Capital Assets	35,243,153	7,338,172	13,276,129	29,305,196
Depreciable Capital Assets:				
Building and Related Improvements	103,547,637	11,900,964		115,448,601
Improvements Other than Buildings	86,873,864	1,511,738		88,385,602
Machinery And Equipment	18,255,715	1,943,088	43,187	20,155,616
Office Equipment	642,443	10,451		652,894
Total Depreciable Capital Assets	209,319,659	15,366,241	43,187	224,642,713
Less Accumulated Depreciation:				
Building and Related Improvements	29,214,034	4,535,674		33,749,708
Improvements Other than Buildings	47,476,192	3,011,792	343	50,487,641
Machinery And Equipment	12,748,359	1,708,881	43,187	14,414,053
Office Equipment	575,639	9,470		585,109
Less Accumulated Depreciation	90,014,224	9,265,817	43,530	99,236,511
Net Depreciable Capital Assets	119,305,435	6,100,424	(343)	125,406,202
Total Capital Assets, Net	$154,548,588	$13,438,596	$13,275,786	$154,711,398

Depreciation expense for the years ended December 31, 2022 and 2021 was charged to:

	2022	2021
Solid Waste Operations	$ 5,190,682	$ 4,713,049
Other Operations	4,611,388	4,552,768
	$ 9,802,070	$9,265,817

NOTE 4 DETAIL NOTES – LIABILITIES

LONG-TERM LIABILITIES

Bonds Payable

In June 2015, the Authority issued its 2015A County Guaranteed Solid Waste Revenue Refunding Bonds (Series 2015A), in the principal amount of $14,595,000. The Bonds are secured by a pledge on the Revenues generated at the Solid Waste Facility as well as the guarantee of the County of Cumberland. The proceeds derived from the issuance and sale of the Bonds were used to advance refund the callable portion of the Authority's 2006 Revenue Bonds (Series 2006) dated August 3, 2006 then outstanding in the aggregate principal amount $14,930,000. A portion of the proceeds of the 2015A Bonds were deposited in an irrevocable escrow fund established with the trustee for the 2006 bonds, to defease the 2006 bonds which were defeased in 2017.

The 2015A Bonds maturing on and after January 1, 2018, are subject to redemption prior to maturity at the option of the Authority, as a whole at any time or in part from time to time, on January 1, 2017, and on any date thereafter and, if in part, in such order of maturities and in such principal amount within any maturity as shall be determined by the Authority and within any maturity by lot, at a redemption price equal to 100% of the principal amount of 2015A Bonds to be redeemed, together with accrued interest to the date fixed for redemption.

The outstanding balance of the Series 2015A Bonds at December 31, 2022 consists of serial and term bonds that mature in various amounts ranging from $1,690,000 in 2023 to $1,930,000 in 2026 with interest rates ranging from 3.00% to 5.00%. The outstanding balance of the Series 2015A Bonds at December 31, 2022 and 2021 is $7,260,000 and $8,870,000 respectively.

In May 2014, the Authority issued its Lease Revenue Bonds - Board of Social Services/Employment and Training Facilities Project (Series 2014), in the principal amount of $17,955,000. The 2014 Bonds are guaranteed by the County of Cumberland, and were issued to provide for the financing of the acquisition and renovation of an existing facility which a portion will be initially leased to Cumberland County Board of Social Services (BOSS) and to finance the construction of a new facility which a portion will be initially leased to the County for use by County Office of Employment and Training, capitalized interest on Series 2014 Bonds, and costs and expenses incurred by the Authority and County in connection with the issuance and delivery of the 2014 Bonds. Lease revenues and the related lease receivables from this property are pledged to the payment of debt service on the Bonds.

The 2014 Bonds maturing on and after May 1, 2025, are subject to redemption prior to maturity at the option of the Authority, upon written consent of the County, as a whole at any time or in part from time to time, on May 1, 2024, and on any date thereafter and, if in part, in such order of maturities and in such principal amount within any maturity as shall be determined by the Authority and within any maturity by lot, at a redemption price equal to 100% of the principal amount of 2014 Bonds to be redeemed, together with interest accrued to the redemption date.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

The outstanding balance of the Series 2014 Bonds at December 31, 2022 consists of serial and term bonds that mature in various amounts ranging from $610,000 in 2023 to $1,110,000 in 2039 with interest rates ranging from 3.00% to 5.00%. The outstanding balance of the Series 2014 Bonds at December 31, 2022 and 2021 is $14,165,000 and $14,745,000, respectively.

In August 2015, the Authority issued its 2015 Lease Revenue Bonds – State Office Buildings Project (Series 2015), in the principal amount of $3,975,000. The 2015 Bonds were issued to finance the renovation of a portion of an existing facility located at 275 N. Delsea Drive, Vineland, NJ to be utilized though a lease with the State Department of Treasury for State purposes by agencies of State government as may be determined by the State (DCF Facility) and the construction of a new facility to be located at property currently owned by the Authority at 9 West Park Avenue, Vineland, NJ, to be utilized for State purposes with the Treasury Department, by the Transportation, Motor Vehicles Commission or other State agency (MVC Facility), and costs and expenses incurred by the Authority in connection with the issuance and delivery of the Series 2015 Bonds. Lease revenues and the related lease receivables from this property are pledged to the payment of debt service on the Bonds.

The 2015 Bonds maturing on and after June 15, 2026, are subject to redemption prior to maturity at the option of the Authority, as a whole at any time or in part from time to time, on June 15, 2025, and on any date thereafter and, if in part, in such order of maturities and in such principal amount within any maturity as shall be determined by the Authority and within any maturity by lot, at a redemption price equal to 100% of the principal amount of 2015A Bonds to be redeemed, together with accrued interest to the date fixed for redemption.

The outstanding balance of the Series 2015 Bonds at December 31, 2022 consists of serial bonds that mature in various amounts ranging from $260,000 in 2023 to $395,000 in 2030 with an interest rate of 3.690%. The outstanding balance of the Series 2015 Bonds at December 31, 2022 and 2021 is $2,675,000 and $2,930,000, respectively.

In May 2017, the Authority issued indebtedness in connection with a financing involving the New Jersey Environmental Infrastructure Trust to finance a solid waste project (the "Series 2017A NJEIT Bonds" and the "Series 2017B NJEIT Bonds"). The Authority's Series 2017A NJEIT Bonds were issued in the principal amount of $2,510,000. The outstanding balance of the Series 2017A Bonds at December 31, 2022 consists of serial maturities ranging from $110,000 in 2022 to $175,000 in 2036 with interest rates ranging from 3.00% to 5.00%. The Series 2017B NJEIT Bonds were issued in the principal amount of $7,648,515 at zero interest with annual principal payments in the amount of $388,908 through 2036. As of December 31, 2022 and 2021, $2,020,000 and $2,125,000 principal amount of the Series 2017A NJEIT Bonds remained outstanding, respectively and $5,444,705 and $5,833,613 principal amount of the Series 2017B NJEIT Bonds remained outstanding, respectively.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

In October 2017, the Authority issued Revenue Bonds (Office Building Acquisition Project), Series 2017 (Federally Taxable) in the principal amount of $12,000,000 at an interest rate of 4.950%. The proceeds from the sale of the Bond have been used to finance the acquisition of an existing industrial/office complex located at 51-71 West Park Avenue which is comprised of (a) a 32,000 square foot office building, (b) a 30,000 square foot maintenance facility, and (c) a 270,000 square foot warehouse/distribution center. The bond is a first priority mortgage pursuant to which the Authority has assigned, subject to certain reserved rights, its interest under the Lease agreements. The Authority sold one of the properties acquired with the proceeds of the Series 2017 Bonds in May of 2022, and partially redeemed Bonds in the amount of $6,652,000. The remaining annual principal maturities range from $121,000 in 2023 to $373,000 in 2042. As of December 31, 2022 and 2021, the outstanding balance is $4,496,000 and $11,261,000 respectively.

In December 2017, the Authority issued its City General Obligation Lease Revenue Bonds (Vineland Public Safety Building Project), Series 2017, in the initial aggregate principal amount of $21,935,000 (the “Series 2017 Vineland Public Safety Building Bonds”), to provide funds which have been used to finance the acquisition of certain real property in the City of Vineland, County of Cumberland, New Jersey (the “City”) on behalf of the City, which, together with certain real property currently owned by the City, will comprise the Project Site for the development and construction of an approximately 53,000 square foot public safety facility on the project site and the costs of equipping the Facility. Lease revenues and the related lease receivables from this property are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 3.25% to 5.00%. Principal maturities range from $680,000 in 2023 to $1,410,000 in 2042. As of December 31, 2022 and 2021, the outstanding balance is $20,685,000 and $21,295,000, respectively.

In September 2018, the Authority issued its Revenue Bonds (Facilities Renovation Project), Series 2018 in the principal amount of $3,200,000 to finance various renovations and improvements to the existing industrial/office complex in the City of Vineland. The payment of the principal of and the interest on these Bonds is secured by lease payments made to the Authority by the City of Vineland. The Bonds bear interest at 4.980% to 6.950%. Principal maturities range from $183,000 in 2023 to $286,000 in 2033. As of December 31, 2022 and 2021, the outstanding balance is $2,549,000 and $2,724,000, respectively.

In December 2018, the Authority issued its County Guaranteed Lease Revenue Bonds (County Correctional Facility Project), Series 2018, in the initial aggregate principal amount of $64,990,000 to provide funds which were initially to be used to finance the acquisition of certain real property in the City of Bridgeton, County of Cumberland, New Jersey for the development and construction of a 100,000 square foot, approximately 408 bed correctional facility and a 25,000 square foot, three-story holding center and criminal courtroom facility. A portion of this project is on hold, however, Lease revenues and the related lease receivables from this project continue to be due and payable to the Authority and are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 4.00% to 5.50%. Principal maturities range from $705,000 in 2023 to $3,355,000 in 2058. As of December 31, 2022 and 2021, the outstanding balance is $63,070,000 and $63,740,000, respectively.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

In April 2019 the Authority issued its Series 2019 County Guaranteed Revenue Bonds in the aggregate principal amount of $4,970,000. The Series 2019 Bonds were issued to provide funds which were used to pay: (1) the costs of acquisition of certain real property located in the Township of Deerfield, County of Cumberland, New Jersey (the “Project Site”); (2) the costs of design and construction of an approximately 15,000 square foot Authority administration building, which will be utilized to create office space for the Authority’s officers and employees (the “Facility”); (3) the completion of such other improvements and work and acquisition of equipment and materials as may be necessary or appropriate in connection with the construction of the Facility; and (4) the costs and expenses incurred by the Authority and the County in connection with the issuance and delivery of the Series 2019 Bonds (collectively, the “Project”). The Series 2019 Bonds are secured by the provisions of a guaranty of the County of Cumberland and by a lien on the pledged property. The Bonds bear interest at 3.00% to 5.00%. Principal maturities range from $90,000 in 2023 to $295,000 in 2049. As of December 31, 2022 and 2021 the outstanding balance is $4,710,000 and $4,800,000, respectively.

In April of 2020, the Authority issued its Lease Revenue Bonds (Vineland Board of Education Bus Depot Expansion Project), Series 2020, in the initial aggregate principal amount of $3,165,000 to provide funds which will be used to finance the expansion of the City of Vineland School District’s bus depot in the City of Vineland, County of Cumberland, New Jersey together with all other costs and expenses necessary for or related to the development, construction and equipping of the Bus Depot Expansion. Lease revenues and the related lease receivables from this property are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 1.52%. Principal maturities range from $635,000 in 2023 to $650,000 in 2025. As of December 31, 2022 and 2021 the outstanding balance is $1,925,000 and $2,550,000, respectively.

In December of 2021, the Authority issued its City General Obligation Lease Revenue Bonds, (Bridgeton Fire Station Project) Series 2021 to finance: (1) the costs of the planning, design and construction of a new approximately 30,000 square foot Fire Station for use by the City Fire Department ("Facilities Project") to be located at 168 East Commerce Street in the City (Lot 1, Block 121) ("Project Site"); (2) all other costs and expenses necessary for or related to the development, construction and equipping of the Facilities Project; (3) capitalized interest on any bonds, notes or other debt obligations issued by the Authority to finance the costs thereof; (4) the costs of issuance with respect to the proposed financing, all as further set forth in the information submitted to the Authority in connection there with or as previously discussed among the parties (collectively, the "2021 Project"). Lease revenues and the related lease receivables from this property are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 3.00% to 4.00%. Principal maturities range from $145,000 in 2023 to $400,000 in 2051. As of December 31, 2022 and 2021 the outstanding balance is $7,495,000.

In February of 2022, the Authority issued its County Guaranteed Lease Revenue Bonds (Technical School Facility Acquisition Project), Series 2022, in the initial aggregate principal amount of $1,990,000 to provide funds which will be used to finance the cost of acquisition of a building located in Vineland, New Jersey for use by the Cumberland County Board of

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

Vocational Education ("CCBVE") and the County for non-educational administrative purposes; capitalized interest and any reserve funds, as may be necessary; and the costs of issuance with respect to the financing. Lease revenues to be received from the CCBVE and the related lease receivables from this property are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 2.34%. Principal maturities range from $65,000 in 2023 to $965,000 in 2036. As of December 31, 2022 the outstanding balance is $1,920,000.

Loans/Notes Payable

In December 2017, the Authority ("Borrower") secured a term loan with TD Bank, N.A. ("Lender") in the amount of $7,357,350 at a fixed interest rate of 3.86%. The loan is secured by property located at E. Broad to Willow Streets, City of Bridgeton, Cumberland County, New Jersey to be used to fund a loan from the Borrower to the Investment Fund in connection with the NMTC Transaction and to pay costs and expenses incident to closing the Loan. Principal payments commenced in February of 2019. As of December 31, 2022 and 2021, the outstanding balance is $4,689,698 and $4,996,327 respectively.

In June 2018, the Authority entered into a Project Development and Management Agreement with the Cumberland Empowerment Zone Corp. (CEZC) for the Bridgeton Redevelopment Project and the Authority's Administration Building Projects. The CEZC loaned the Authority $1,000,000 for each of those projects with a 7-year term for the Bridgeton Redevelopment Project and a 5-year term for the Authority's Administration Building Project. The Authority repaid $1,000,000 for the Administration Building Project in 2019. The outstanding balance as of December 31, 2022 and 2021 is $1,000,000.

In July 2018, the Authority secured financing for certain equipment acquisitions (via lease/purchase agreements) in the amount of $3,000,000 related to the Compressed Natural Gas (CNG) Facility located at the Authority's Solid Waste Complex, and $700,000 related to one of the Authority's leased facilities (51-71 W. Park Avenue, Vineland, New Jersey). The $3,000,000 borrowing is for a 10-year term at 3.380% interest. Principal payments range from $293,714 in 2023 to $346,823 in 2028. The outstanding balance at December 31, 2022 and 2021 is $1,918,084 and $2,202,195 respectively. The $700,000 borrowing is for a 7-year term at 3.240% interest. The balance of the loan at December 31, 2021 was $419,010, which was paid off in 2022. As a result, the outstanding balance at December 31, 2022 and 2021 is $0 and $419,010 respectively.

In October 2019 the Authority secured a loan from TD Bank, NA. in the amount of $200,000 in connection with the acquisition of certain vehicles. The equipment acquired with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 5 year term bearing interest at a rate of 2.10%. Principal payments range from $40,822 in 2023 to $41,680 in 2024. The outstanding balance at December 31, 2022 and 2021 is $82,502 and $122,485 respectively.

In April 2020, the Authority secured a loan from TD Bank, NA. in the amount of $725,000 in connection with the acquisition of certain equipment. The equipment acquired with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 5

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

Loans/Notes Payable (Continued)

year term bearing interest at a rate of 1.750%. Principal payments range from $144,956 in 2023 to $150,075 in 2025. The outstanding balance at December 31, 2022 and 2021 is $442,524 and $584,987 respectively.

In October 2020 the Authority secured a loan from TD Bank, NA. in the amount of $1,650,000 in connection with the acquisition of certain equipment. The equipment acquired with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 7 year term bearing interest at a rate of 1.450%. Principal payments range from $232,249 in 2023 to $246,016 in 2027. The outstanding balance at December 31, 2022 and 2021 is $1,195,413 and $1,424,342 respectively.

In December 2020 the Authority secured a loan from TD Bank, NA. in the amount of $850,000 in connection with the acquisition of certain equipment. The equipment acquired with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 5 year term bearing interest at a rate of 1.430%. Principal payments range from $143,429 in 2023 to $147,562 in 2025. The outstanding balance at December 31, 2022 and 2021 is $436,471 and $684,793 respectively.

In September 2021 the Authority secured a loan from TD Bank, NA. in the amount of $2,400,000 in connection with the acquisition of certain equipment. The equipment acquired with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 7 year term bearing interest at a rate of 2.680%. Principal payments range from $324,739 in 2023 to $370,649 in 2028. The outstanding balance at December 31, 2022 and 2021 is $2,083,737 and $2,400,000 respectively.

In March of 2022 the Authority issued its County-Guaranteed Subordinate Project Notes, Series 2022 to the New Jersey Infrastructure Bank (“I-Bank”) in the amount of $5,635,189. The Notes represent a short-term construction Loan, with amounts being drawn down by the Authority as authorized expenditures are incurred. As of December 31, 2022, the Authority has expended $5,083,014, which amount is being reported as loans payable. It is the intent of the Authority to convert the short-term financing to permanent financing upon completion of the project in 2023.

Accrued Closure and Postclosure Care Costs

State and federal laws and regulations require the Authority to place a final cover on its Deerfield Township landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the Authority reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net position date.

The $37,097,166 reported as accrued closure and postclosure care costs at December 31, 2022 represents the cumulative amount reported to date based on the use of approximately 65.58% of the estimated capacity of the landfill.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

Accrued Closure and Postclosure Care Costs (Continued)

The Authority will recognize the remaining $19,474,772 of the total estimated cost of closure and postclosure care of $56,571,938 as the remaining estimated capacity is filled.

These amounts are based on what it would cost to perform all closure and postclosure care in 2022. The Authority expects to close the landfill in the year 2042. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The Authority is required by state laws and regulations to make annual contributions to a trust to finance closure and postclosure care costs. The Authority is in compliance with these requirements, and at December 31, 2022, cash and investments of $17,246,458 ($19,637,850-cost), are held for these purposes. These are reported as restricted assets on the statements of net position. The Authority expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

The amounts reported above as accrued closure and postclosure care costs and remaining estimated cost of closure and postclosure care, percent of estimated capacity of the landfill used and the estimated date the Authority expects to close the landfill are based on the most recent report prepared by the Authority's Consulting Engineers. Based on that report the Authority reported an increase in the accrued closure postclosure cost from December 31, 2021 to 2022, resulting in an expense for 2022 in the amount of $1,081,037. Note the expense for 2021 was $1,832,613.

Net Pension Liability

For details on the net pension liability, refer to Note 5. The Authority’s annual required contribution to the Public Employees’ Retirement System is budgeted and paid on an annual basis.

Accrued Compensated Absences

Current policy allows employees who retire from the Authority via PERS to be reimbursed for fifty percent (50%) of accrued sick leave up to a maximum of $12,000, calculated at the then current rate.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in long-term liabilities for the year ended December 31, 2022:

Type of Debt:	Balance Jan. 1, 2022	Additions	Reductions	Balance Dec. 31, 2022	Amounts Due Within One Year
Revenue Bonds Payable:					
Solid Waste System					
Revenue Bonds:					
Series 2015A	$ 8,870,000	$ -	$ 1,610,000	$ 7,260,000	$ 1,690,000
Series 2017	7,958,613		493,908	7,464,705	498,908
Lease/Other Revenue Bonds:					
Series 2015	2,930,000		255,000	2,675,000	260,000
Series 2014	14,745,000		580,000	14,165,000	610,000
Capital Bank Series 2017	11,261,000		6,765,000	4,496,000	121,000
Vld PD Series 2017	21,295,000		610,000	20,685,000	680,000
Capital Bank Series 2018	2,724,000		175,000	2,549,000	183,000
DOC Series 2018	63,740,000		670,000	63,070,000	705,000
Series 2019 County Guaranteed-Admin. Bldg.	4,800,000		90,000	4,710,000	90,000
Vineland Bd of Ed Series 2020	2,550,000		625,000	1,925,000	635,000
Bridgeton Fire Station Series 2021	7,495,000			7,495,000	145,000
Tech School Series 2022		1,990,000	70,000	1,920,000	65,000
Unamortized Debt Premium	5,509,977		213,153	5,296,824	
Total Revenue Bonds Payable	153,878,590	1,990,000	12,157,061	143,711,529	5,682,908
Loans Payable:					
CEZC	1,000,000			1,000,000	
Series 2017 Food Specialization Center	4,996,327		306,628	4,689,699	92,275
Equip. Loan-W. Park	419,010		419,010	-	
Equip. Loan-CNG Station	2,202,195		284,111	1,918,084	293,714
Equip. Loan-2019	122,485		39,983	82,502	40,822
Equip. Loan-2020 Food Spec.	1,424,342		228,929	1,195,413	232,249
Equip. Loan-2020 Solid Waste	1,269,780		390,785	878,995	288,386
Equip. Loan-2020 SIM	2,400,000		316,263	2,083,737	324,739
NJ IBank Short Term Const. Loan		5,083,014		5,083,014	5,083,014
Total Loans Payable	13,834,139	5,083,014	1,985,709	16,931,444	6,355,199
Accrued Closure and Postclosure Care Costs	36,016,129	1,081,037		37,097,166	
Net Pension Liability	6,779,248	1,499,477		8,278,725	
Accrued Liability-Pensions	335,091	10,798		345,889	
Net OPEB Obligation	4,134,487		132,601	4,001,886	
Accrued Comp Absences	197,498		1,821	195,677	
	$215,175,182	$ 9,664,326	$14,277,192	$210,562,316	$12,038,107

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in long-term liabilities for the year ended December 31, 2021:

Type of Debt:	Balance Jan. 1, 2021	Additions	Reductions	Balance Dec. 31, 2021	Amounts Due Within One Year
Revenue Bonds Payable:					
Solid Waste System					
Revenue Bonds:					
Series 2015A	$ 10,405,000	$ -	$1,535,000	$ 8,870,000	$1,610,000
Series 2017	8,447,521		488,908	7,958,613	493,908
Lease/Other Revenue Bonds:					
Series 2015	3,180,000		250,000	2,930,000	255,000
Series 2014	15,295,000		550,000	14,745,000	580,000
Capital Bank Series 2017	11,522,000		261,000	11,261,000	277,000
Vld PD Series 2017	21,935,000		640,000	21,295,000	610,000
Capital Bank Series 2018	2,891,000		167,000	2,724,000	175,000
DOC Series 2018	64,380,000		640,000	63,740,000	670,000
Series 2019 County			.		
Guaranteed-Admin. Bldg.	4,885,000		85,000	4,800,000	90,000
Vineland Bd of Ed Series 2020	3,165,000		615,000	2,550,000	625,000
Bridgeton Fire Station Series 2021		7,495,000		7,495,000	
Unamortized Debt Premium	4,748,980	994,115	233,118	5,509,977	
Total Revenue Bonds Payable	150,854,501	8,489,115	5,465,026	153,878,590	5,385,908
Loans Payable:					
CEZC	1,000,000			1,000,000	
Series 2017 Food					
Specialization Center	5,100,679		104,352	4,996,327	376,414
Equip. Loan-W. Park	515,676		96,666	419,010	99,797
Equip. Loan-CNG Station	2,477,017		274,822	2,202,195	284,111
Equip. Loan-2019	161,645		39,160	122,485	39,983
Equip. Loan-2020 Food Spec.	1,650,000		225,658	1,424,342	228,930
Equip. Loan-2020 Solid Waste	1,575,000		305,220	1,269,780	310,032
Equip. Loan-2020 SIM		2,400,000		2,400,000	316,263
Total Loans Payable	12,480,017	2,400,000	1,045,878	13,834,139	1,655,530
Accrued Closure and Postclosure Care Costs	34,183,516	1,832,613		36,016,129	
Net Pension Liability	8,937,043		2,157,795	6,779,248	
Accrued Liability-Pensions	299,763	35,328		335,091	
Net OPEB Obligation	3,901,063	233,424		4,134,487	
Accrued Comp Absences	206,058		8,560	197,498	
	$210,861,961	$12,990,480	$8,677,259	$215,175,182	$7,041,438

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

The annual debt service requirements to maturity, including principal and interest, for revenue bonds and loans payable as of December 31, 2022 are as follows:

Year Ending December 31,	Solid Waste Revenue Bonds Principal	Solid Waste Revenue Bonds Interest	Lease Revenue Bonds Principal	Lease Revenue Bonds Interest	Loans Payable Principal	Loans Payable Interest
2023	$ 2,188,907	$ 332,943	$ 3,494,000	$ 5,079,468	$ 7,355,199	$ 349,917
2024	2,288,907	240,694	3,630,000	4,936,712	1,302,803	305,310
2025	2,373,908	152,994	3,782,000	4,792,634	5,694,927	211,064
2026	2,448,908	80,594	3,335,000	4,651,812	918,568	70,143
2027	523,908	47,744	3,480,000	4,507,394	942,474	46,237
2028-2032	2,674,538	175,869	18,905,000	20,664,110	717,473	21,656
2033-2037	2,225,629	55,925	21,466,000	16,421,371	-	-
2038-2042	-	-	20,888,000	11,891,204	-	-
2043-2047	-	-	12,690,000	8,526,900	-	-
2048-2050	-	-	32,020,000	9,016,275	-	-
	14,724,705	$ 1,086,763	123,690,000	$ 90,487,880	16,931,444	$ 1,004,327
Add: Unamortized Debt Premium	227,734		5,069,090			
	$ 14,952,439		$ 128,759,090		$ 16,931,444	

COMMITMENTS AND CONTINGENCIES

As of December 31, 2022 and 2021 the Authority has entered into various commitments for construction related professional services and construction contracts in its Solid Waste Operation in the amount of $5,232,111 and $1,267,629 respectively. Costs incurred on those contracts to December 31, 2022 and 2021 totaled $5,080,836 and $935,787 respectively.

As described in Note 1, the Authority has undertaken a significant redevelopment portfolio that includes acquisition, construction, and property management of buildings occupied by state, county, municipal, not-for-profit and commercial tenants. These projects are included in the Authority's Other Operations. As of December 31, 2022 and 2021 the Authority has entered into various commitments for construction related professional services and construction contracts in its Other Operations in the amount of $20,698,279 and $25,923,927 respectively. Costs incurred on those contracts to December 31, 2022 and 2021 totaled $18,939,084 and $22,515,578 respectively.

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 5 DETAILED NOTES – RETIREMENT SYSTEM

PENSIONS

A substantial number of Authority employees participate in the Public Employees' Retirement System ("PERS"), a defined benefit pension plan, which is administered by the New Jersey Division of Pensions and Benefits ("the Division"). In addition, Authority employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. 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 and required supplementary information. That report may be obtained by obtained from:

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

Plan Descriptions

Defined Contribution Retirement Program (DCRP) – DCRP 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.

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

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

Vesting and Benefit Provisions

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

Public Employees' Retirement System – The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. 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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

Contributions

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. The number of employees participating in the DCRP for the years ended December 31, 2022, 2021 and 2020, were 12, 12 and 14, respectively. For the years ended December 31, 2022, 2021 and 2020, the Authority's contributions for covered employees were $4,233, $4,297 and $4,657, respectively.

Public Employees' Retirement System – The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, 2021 and 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Covered Authority employees are required to contribute a percentage of their salary toward their pension benefits. P.L. 2011, c78, effective June 28, 2011, increased the active member contribution rate from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.50% in State fiscal years 2022 and 2021. Employee contributions were $295,332, $299,638 and $302,578 for the years ended December 31, 2022, 2021, and 2020, respectively. The payroll subject to pension for the Authority's employees covered by PERS was $3,865,336, $3,944,189 and $3,997,062 for the years ended December 31, 2022, 2021 and 2020, respectively.

The Authority is required by statute to contribute to the employee's pension benefits based on an annual actuarial calculation. The valuation is a determination of the financial condition of the retirement system. The Authority's required annual contributions to the PERS were $691,778, $670,181 and $599,525 for the years ended December 31, 2022, 2021, and 2020, respectively, and is included in the accompanying financial statements. The percentage of employer's contribution rate as a percentage of covered payroll for 2022, 2021 and 2020 was 17.90%, 16.99% and 15.00%, respectively.

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – PERS

At December 31, 2022 and 2021, the Authority reported a liability of $8,278,735 and $6,779,258, respectively for its proportionate share of the net pension liability. The net pension liability at December 31, 2022 and 2021 were measured as of June 30, 2022 and 2021, respectively. The total pension liability used to calculate the net pension liability on June 30, 2022 and 2021 was determined by an actuarial valuation as of July 1, 2021 and 2020, respectively. At June 30, 2022, the Authority's proportion was 0.0548573875%, which was an decrease of 0.0023684442% from its proportion measured as of June 30, 2021. At June 30, 2021, the Authority's proportion was 0.0572258317%, which was an increase of 0.0024221168% from its proportion measured as of June 30, 2020.

At December 31, 2022 and 2021, respectively, the Authority reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Measurement Date June 30, 2022		Measurement Date June 30, 2021	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience	$ 59,752	$ 52,693	$ 106,918	$ 48,531
Changes of Assumptions	25,650	1,239,654	35,306	2,413,460
Net Difference between Projected and Actual Earnings on Pension Plan Investments	342,649	-	-	1,785,835
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	2,124,777	361,115	3,280,151	-
Authority Contributions Subsequent to the Measurement Date	345,889	-	335,091	-
	$ 2,898,717	$ 1,653,462	$ 3,757,466	$ 4,247,826

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

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

Deferred outflows of resources related to pensions in the amount of $345,889 and $335,091 will be included as a reduction of the net pension liability in the year ending December 31, 2023 and 2022, respectively. This amount is based on an estimated April 1, 2023 and April 1, 2022 contractually required contribution. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending Dec 31,		Amortization
2022	$	738,957
2023		376,474
2024		183,599
2025		(400,543)
2026		879
	$	899,366

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

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

The Authority will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
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	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
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
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00
June 30, 2021	-	5.00
June 30, 2022	5.00	

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

Actuarial Assumptions

The total pension liability for the June 30, 2022 and 2021 measurement dates were determined by actuarial valuations as of July 1, 2021 and 2020, respectively, which were rolled forward to June 30, 2022 and 2021, respectively.

These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

	June 30, 2022	June 30, 2021
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.75% - 6.55% Based on Years of Service	2.00% - 6.00% Based on Years of Service
Thereafter	2.75% - 6.55% Based on Years of Service	3.00% - 7.00% Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	Pub-2010	Pub-2010
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2014 - June 30, 2018

For the June 30, 2021 and 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-2021.

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 and 7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in PERS's target asset allocation as of June 30, 2022 and 2021 are summarized in the table below:

	June 30, 2022		June 30, 2021	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%	27.00%	8.09%
Non-U.S. Developed Market	13.50%	8.38%	13.50%	8.71%
Emerging Market Equities	5.50%	10.33%	5.50%	10.96%
Private Equity	13.00%	11.80%	13.00%	11.30%
Real Estate	8.00%	11.19%	8.00%	9.15%
Real Assets	3.00%	7.60%	3.00%	7.40%
High Yield	4.00%	4.95%	2.00%	3.75%
Private Credit	8.00%	8.10%	8.00%	7.60%
Investment Grade Credit	7.00%	3.38%	8.00%	1.68%
Cash Equivalents	4.00%	1.75%	4.00%	0.50%
U.S. Treasuries	4.00%	1.75%	5.00%	0.95%
Risk Mitigation Strategies	3.00%	4.91%	3.00%	3.35%
	100.00%		100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 7.00% as of June 30, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability at June 30, 2022 and 2021, respectively, calculated using the discount rate as disclosed above, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	June 30, 2022		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Authority's Proportionate Share of the Net Pension Liability	$ 10,635,749	$ 8,278,735	$ 6,272,821

	June 30, 2021		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Authority's Proportionate Share of the Net Pension Liability	$ 9,231,975	$ 6,779,258	$ 5,054,500

DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Authority employees, permits them to defer a portion of their salary until future years.

Participation in the plan is optional and participants elect how their salary deferrals are invested. Investment options include the following: stock funds, bond funds, and money market accounts, including various risk alternatives. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Investments are managed by the plan trustees under one of various pools of investment options offered by the Lincoln Financial Group Deferred Compensation Program, who is a provider of deferred compensation services in good standing with the State of New Jersey Division of Local Government Services.

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 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan Description and Benefits Provided - The self-insured plan will be administered through Southern Coastal Regional Employee Benefits Fund/PERMA. The plan provides fully paid health benefits to employees retiring with the minimum of fifteen (15) years of service with the Authority and has reached the threshold of sixty-two (62) years of age. The benefits would be available to the employee from the age of eligibility (62 years) until the employee reaches the age of sixty-five (65). At age 65, retirees can continue to participate in the plan but must contribute 100% of the premiums. The benefit provisions of the plan may be established or amended by the Board of the Authority. A separate financial report is not issued.

Employees Covered by Benefit Terms - At December 31, 2022 and 2021, the following employees were covered by the benefit terms:

	December 31, 2022	December 31, 2021
Retired Employees Receiving Benefits	1	1
Active Employees Eligible to Retire and Receive Benefits	0	0
Active Employees	54	55
Total Participants	55	56

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Contributions - Contributions to pay for the health premiums of participating retirees would be paid by the Authority on a monthly basis. For the years ended December 31, 2022, there was 1 active retiree with $14,826 in current premiums paid. For the year ended December 31, 2021, there was 1 active retiree with $5,857 in premiums paid . Plan members are not required to contribute to the cost of premiums upon retirement.

Net OPEB Liability

The Authority's total OPEB liability of $4,001,886 as of December 31, 2022 was measured as of December 31, 2022. The liabilities were determined by an actuarial valuation as of December 31, 2022. The Authority's total OPEB liability of $4,134,487 as of December 31, 2021 was measured as of December 31, 2021. The liabilities were determined by an actuarial valuation as of December 31, 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Deferred outflows of resources related to OPEB in the amount of $951,238 and deferred inflows of resources related to OPEB in the amount of $625,910 at December 31, 2022 will be recognized in OPEB expense as follows:

Year Ending Dec 31,	
2023	$ 20,216
2024	20,216
2025	20,216
2026	20,216
2027	20,216
Thereafter	224,248
	$ 325,328

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Mortality Rate Table	PUB 2010	RP-2000
Turnover	NJ State Pension Ultimate Withdrawal Rates	NJ State Pension Ultimate Withdrawal Rates
Assumed Retirement Age	At first eligibility after completing 15 years of service and attainment of age 62. At age 65, retirees must pay full premium to continue coverage.	At first eligibility after completing 15 years of service and attainment of age 62. At age 65, retirees must pay full premium to continue coverage.
Full Attribution Period	Service to Assumed Retirement Age	Service to Assumed Retirement Age
Discount Rate	3.72%	2.06%
CPI Increase	2.50%	2.50%
Salary Increase	2.50%	2.50%
Medical Trend	5.3% in 2022, reducing by 0.2% per year, leveling at 4.5% in 2026	5.5% in 2021, reducing by 0.2% per year, leveling at 4.55% in 2026
Prescription Trend	6.5% in 2022, reducing by 0.5% per year, leveling at 4.5% in 2026	7.0% in 2021, reducing by 0.5% per year, leveling at 4.5% in 2026

The discount rate was based on the Bond Buyer 20 Index rate.

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Changes in the Total OPEB Liability

The following table shows the changes in the total OPEB liability for the years ended December 31, 2022 and 2021:

	December 31, 2022		December 31, 2021	
Balance at Beginning of Year		$4,134,487		$3,901,063
Changes for the Year:				
Service Cost	$ 207,136		$ 426,648	
Interest Cost	89,284		91,686	
Difference Between Expected/Actual Experience	(286,549)		-	
Change in Assumptions	(127,646)		(279,053)	
Benefit Payments	(14,826)		(5,857)	
Net Changes		(132,601)		233,424
Balance at End of Year		$4,001,886		$4,134,487

In the fiscal year ended December 31, 2022 and 2021, there were no changes of benefit terms.

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

December 31, 2022

1% Decrease 2.72%	Current Discount Rate 3.72%	1% Increase 4.72%
$4,528,600	$ 4,001,886	$3,603,710

December 31, 2021

1% Decrease 1.06%	Current Discount Rate 2.06%	1% Increase 3.06%
$4,246,555	$ 4,134,487	$4,029,790

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

December 31, 2022		
1% Decrease	**Health Care Cost Trend Rate**	**1% Increase**
$3,656,812	$ 4,001,886	$4,413,566

December 31, 2021		
1% Decrease	**Health Care Cost Trend Rate**	**1% Increase**
$4,007,266	$ 4,134,487	$4,280,929

OPEB Expense

For the year ended December 31, 2022 and 2021, the Authority recognized OPEB expense of $316,636 and $572,102, respectively.

NOTE 6 DETAILED NOTES – NET POSITION

RESTRICTED NET POSITION

The Authority has restricted net position for the following purposes in accordance with the requirements of its Bond Resolution and laws or regulations.

	2022	2021
Solid Waste Operation:		
Operations	$ 2,082,700	$ 1,945,840
Debt Service	1,690,000	1,610,000
Equipment Renewal and Replacement	1,692,233	777,152
	5,464,933	4,332,992
Other Operations:		
Debt Service	548,222	525,500
Total Restricted	$ 6,013,155	$ 4,858,492

NOTE 6 DETAILED NOTES – NET POSITION (CONTINUED)

UNRESTRICTED NET POSITION

Designated Net Position:

Solid Waste Operations

The Solid Waste Operation’s unrestricted net position-designated for subsequent year’s expenditures at December 31, 2022 and 2021 consists of $774,866 and $744,605, respectively; which has been appropriated and included as anticipated revenue in the Authority's 2023 and 2022 budgets respectively.

Other Operations

The Authority has, by resolution, designated a portion of its Other Operations unrestricted net position for Replacement Reserve for Economic Development Operations. The replacement reserve fund was established to receive transfers to anticipate necessary future major repairs and capital expenditures. The amount of net position designated for replacement reserve as of December 31, 2022 and 2021 is $389,629 and $395,820, respectively.

Undesignated Net Position:

Solid Waste Operations

The balance of unrestricted and undesignated net position (deficit) as of December 31, 2022 and 2021 of $(17,751,756) and $(13,538,142) respectively, is comprised of the following:

	2022	2021
Amount Related to Pensions (GASB 68 and 71)	$ (7,438,143)	$ (7,570,256)
Amount Related to OPEB (GASB 75)	(2,839,827)	(2,622,865)
Undesignated before GASB 68, 71 Pension and GASB 75 OPEB Related Items	(7,473,786)	(3,345,021)
	$ (17,751,756)	$ (13,538,142)

Other Operations

The balance of unrestricted and undesignated net position (deficit) as of December 31, 2022 and 2021 of $(1,456,517) and $(308,404) respectively, is comprised of the following:

	2022	2021
Amount Related to Pensions (GASB 68 and 71)	$ (704,634)	$ (704,634)
Amount Related to OPEB (GASB 75)	(751,883)	(751,883)
Undesignated before GASB 68, 71 Pension and GASB 75 OPEB Related Items	-	1,148,113
	$ (1,456,517)	$ (308,404)

NOTE 7 INTEREST EXPENSE

Interest expense consisted of the following:

	2022	2021
Interest on Bonds and Notes	$ 5,850,568	$ 6,138,425
Add: Amortization of Deferred Loss on Defeasance of Debt	46,129	58,272
Less: Amortization of Premium on Bonds	(213,153)	(233,118)
Net Interest Expense	$ 5,683,544	$ 5,963,579

NOTE 8 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority purchases commercial insurance for Pollution Liability and Crime.

The Authority is also a member of Cumberland County Insurance Commission (the "Commission"). The Commission is operated in accordance with regulations of the Division of Local Governmental Services of the Department of Community Affairs for the purpose of securing significant savings in insurance costs as well as providing stability in coverage. It is governed by three County officials who serve as commissioners and are appointed by the Board. Coverage in excess of the Commission's self-insured retention limit is provided through the Commission's membership in the New Jersey Counties Excess Joint Insurance Fund established in March 2010.

The Commission provides the Authority coverage for General and Automobile Liability; Workers' Compensation and Employer's Liability; and Property Damage other than Motor Vehicles, including Equipment Breakdown. Through membership in the New Jersey Counties Excess Joint Insurance Fund offered by the Commission, the Authority also has coverage for Public Officials and Employment Practices.

The Commissioner of Insurance may order additional assessments to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

The Commission provides its own financial report for the year ended December 31, 2022, which can be obtained from:

Cumberland County Insurance Commission
790 East Commerce Street
Bridgeton, NJ 08032

Settled claims have not exceeded commercial insurance coverage in any of the past three years. In September 2016, the Authority switched to a self-insured health insurance fund, Southern Coastal Regional Employee Benefits Fund which is administered by PERMA.

NOTE 9 MAJOR CUSTOMERS - CONCENTRATION

In 2022, approximately sixty percent (60%) of the solid waste received by the Authority at its Solid Waste Complex was delivered by five (5) haulers. In 2021, the top five (5) haulers delivered approximately sixty-two percent (62%).

NOTE 10 RELATED PARTY TRANSACTIONS

The Members of the Authority are appointed by the Board of County Commissioners of the County of Cumberland. Accordingly, the Commissioners have the ability to influence the nature and amounts of the business done by the Authority. The Authority and the County have engaged in significant transactions with each other. These transactions include the issuance of conduit debt obligations, leasing of property, economic development activities, shared services for property management and project management services. In addition the County guarantees payment of debt service on certain of the Authority's debt issues.

NOTE 11 SUBSEQUENT EVENTS

COVID-19

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, and globally, economic uncertainties have arisen which could negatively impact the financial position of the Authority. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. While the impact that COVID-19 will have is currently expected to be temporary, Management does not expect the impact to be material in nature, however, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

NOTE 12 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

The significant disclosures of the discretely presented component unit, Cumberland Empowerment Zone Corp. ("the Corporation" or "CEZC") as of December 31, 2021 are as follows (CEZC was not a component unit for 2022) :

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Operations - The purpose for which the Corporation is organized is to utilize and implement the benefits of the "Empowerment Zone" program created by the taxpayer relief act of 1997 of the United States government awarded to Cumberland County. The activities of the corporation may include, but are not limited to, developing a strategic vision to create economic opportunity, sustainable community development, and community-based partnerships. The corporation will help facilitate the collaboration of government, public institutions, businesses, community-based organizations, and residents of the "Empowerment Zone" to achieve a coordinated approach to neighborhood economic development.

Basis of Accounting - The financial statements of Cumberland Empowerment Zone Corp. have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities.

NOTE 12 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Codification ASC 958 “Financial Statements of Not-for-Profit Organizations”. The Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions - The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets with Donor Restrictions - Net assets with donor restrictions of the Corporation are those whose use has been limited by donor-imposed stipulations that specifies a use for a contributed asset that is more specific than broad limits resulting from either the nature of the Corporation, the environment in which it operates, or purposes specified in its articles of incorporation or bylaws or comparable documents for an unincorporated association.

Public Support and Revenue - Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Empowerment Zone received various non-cash donations in previous years for which a fair value has not been determined at the balance sheet date.

Income Tax - The organization is a nonprofit organization within the meaning of section 501(c) (3) of the Internal Revenue code and is not subject to income tax. The Corporation files information returns in the U.S. federal jurisdiction and the State of New Jersey. The Company is not subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years prior to 2018.

The Corporation follows a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority in its consideration of accounting for uncertainty in income taxes. Measurement of the uncertainty occurs if the recognition threshold has been met. Management believes that no uncertain income tax positions exist that have a material impact on the financial statements.

Distributions - The Corporation’s bylaws and agreements stipulate, among other things, that the Corporation will not make distributions of assets or income to any of its officers or directors.

NOTE 12 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent liabilities at the date the financial statements are available for issuance and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are based upon historical factors, current circumstances and the experience and judgment of the Company's management.

Cash Equivalents - For the statement of cash flows, all unrestricted investment instruments with original maturities of three months or less are cash equivalents. The Corporation deposits monies that are restricted by grant agreement or donor stipulations into a separate account. When the restriction expires, monies are transferred to the operating account for payment of related expenditures. At December 31, 2021 restricted cash was $429,662.

The Corporation maintains cash balances in a financial institution located in Vineland, New Jersey. The balances at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Corporation requires the banks with which it does business to provide collateral for amounts exceeding federal coverage. Cash at December 31, 2021 exceeded the federally insured limits by $7,151,383.

Mortgages Receivable - Mortgage's receivable are carried at unpaid principal balances, less an allowance for losses. Management's periodic evaluation of the adequacy of the allowance is based on the CEZC's past loan loss experience, specific impaired loans, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions. Past due status is based on contractual terms. Mortgages are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms.

The Corporation loans money to the local community. These organizations are located in Cumberland County. Realization of these receivables is dependent upon the performance of the organizations, the economic conditions within this industry, as well as the general business climate. As a result, management continually monitors its receivables. Based on historical experience, the Corporation reserves 2% of new mortgages entered into during the year. The allowance for uncollectible mortgages at December 31, 2021 was $320,585. Bad debt expense for the year ended December 31, 2021 was $166,707.

Property, Plant & Equipment & Depreciation - Property, plant and equipment are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Major replacements and betterments are capitalized. The useful lives of depreciable assets are estimated to be 10 years for office furniture and equipment. Maintenance and repairs are expensed as incurred. Depreciation Expense for the year ended December 31, 2021 was $3,015. See *Note 12K.*

Revenue Recognition - In May 2014 the FASB issued ASU 2014-09 "Revenue from Contracts with Customers (Topic 606)" (commonly referred to as ASC 606) which requires an entity to recognize revenue when (or as) goods are transferred or services are provided to customers in an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services.

NOTE 12 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition - (Continued)

For purposes of determining when to recognize revenue, and in what amount, the Corporation applies a 5-step model: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the Corporation satisfies a performance obligation. Each of these steps involves the use of significant judgements.

The Corporation has established an identifiable contract with their customer at the point that the contract is signed. Signing of the contractual agreement signifies both parties have agreed to the terms of the contract, and they become committed to perform their respective obligations. The obligations of the contract are clear and identifiable, with identifiable payment terms, and collectability of the contract is probable. Collections are assumed based on historical experience with each respective grantee.

The Corporation identifies all performance obligations within the contract. Typically, there are not multiple performance obligations within the contract and completion of the service is the sole obligation.

The Corporation determines the transaction prices identified within each contract. The transaction price is the fee stated on the fee schedule within the contract for services to be performed by the Corporation. The Corporation allocates the transaction price to the performance obligations within the contract. As stated, there is typically only one performance obligation for each contract. The transaction price is allocated to the project as a whole. The services provided are considered to be the sole obligation, which are performed over time. The Corporation will recognize revenue as related services are performed and the expenses are incurred.

The Corporation enters into contracts with various local non-profits to benefit the local community. Below is a description of programs entered into with grantors:

- CCSF - Grant provided for the Corporation to provide supportive family services for children and families through after school and summer camp programs. Monies received pay for salaries of administrative employees, direct service personnel, and program supplies.
- United Way - Grant provided for the Corporation to provide general operating support to middle school children in the Cumberland County area. Monies received pay for benefits for administrative employees and related program expenses.
- One Stop - Grant provided to the Corporation to cover the salary and expenses of the Career Center Coordinator, as well as health insurance telephone, travel and various other miscellaneous expenses.

NOTE 12 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

B. NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by grantors.

C. PROGRAM SERVICES/EXPENSES

Represents amounts used to carry out projects specified by contract or restricted donation. Amounts expended are specifically identified to their respective grantor contract or donation.

D. COMMITMENTS

On January 10, 2007 the Empowerment Zone entered into an agreement with the Enterprise Zone Development Corp. of Vineland and Millville, NJ. The Corporation remitted $500,000 for the sole purpose of creating a commercial loan program to promote economic development and job creation in the City of Vineland Urban Enterprise Zone. The balance as of December 31, 2021 was $371,675 with $128,325 lent to borrowers, and is recorded in Advanced Funding – Grants and Loans on the Statement of Financial Position.

E. PROPERTY REPOSSESSED

In 2003, CEZC approved a $55,000 loan to assist Jackson in purchasing a building and starting a new salon. Jackson defaulted on the loan and CEZC advanced funds into the repossession and took ownership of the property. The Jacksons continued to use the property and paid CEZC rent, insurance, taxes, and utilities. A new lease has not been drawn up; however, the Jacksons continued making monthly payments. The CEZC will continue to hold the property until the debt is lower before transferring it back to the Jacksons. The Note Payable balance as of December 31, 2021 was $33,841. The Company is owed $4,500 for the years ended December 31, 2022 through 2025, and $15,841 thereafter.

F. RIVER GROVE PROJECT

In 2012, CEZC entered into a joint venture with Gateway Community Action Agency to develop a 68-unit apartment building as part of an affordable housing project in the city of Bridgeton, NJ. Eastern Pacific Development Corporation joined the project as a development partner in 2015. The CEZC formed a non-profit entity (Cumberland Empowerment Housing Corporation) to facilitate the project. The Corporation loaned the new entity approximately $481,000 and will be paid back with interest. As of December 31, 2021, the project is not complete. The balance at December 31, 2021 was $60,417.

G. JOINT VENTURES

On May 1, 2016, superseded by an agreement on June 14, 2018, the CEZC entered into an agreement with the Cumberland County Improvement Authority (CCIA, a related party) to outsource employee services to CCIA for the purpose of buying, leasing and developing real

NOTE 12 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

G. JOINT VENTURES (Continued)

estate: sharing resources to further economic development goals in Cumberland County and provide assistance to businesses in exchange for certain compensation. The cost of these services for December 31, 2021 was $110,143.

H. MORTGAGES RECEIVABLE

Mortgages receivable consisted of the following at December 31, 2021.

	2021
Mortgage Receivable (HUD Projects)	$ 844,113
Mortgage Receivable (2nd Generation Funds)	2,712,639
Mortgage Receivable (UEZ Loans)	128,325
Less: Allowance for Doubtful Accounts	(320,585)
	$ 3,364,492

The above amounts represent monies due to the empowerment zone from outside organizations and are secured by capital projects. These amounts are due and payable on a monthly basis at an interest rate between 3% and 5%. Related fees and interest income are recorded as an increase in net assets in the statement of activities.

In 2006 the Empowerment Zone established a policy to provide an allowance for uncollectible mortgages at 2% of new loans issued. Prior to this date management reviewed its receivable balance on an annual basis to provide an allowance based upon their estimates of uncollectible mortgages. Management continuously monitors its receivables and at times provides an additional allowance based upon its evaluation of the receivables in comparison to the reserve established.

The 2nd generation mortgage receivable amount includes an amount due from the Cumberland County Improvement Authority (CCIA) in the amount of $1,000,000 at 3% interest rate and maturity date of June 14, 2023. As of December 31, 2021, the Cumberland Empowerment Zone Corp. is considered a component unit of CCIA, and therefore a related party. See Note 7.

NOTE 12 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

I. LIQUIDITY AND AVAILABILITY OF ASSETS

The following reflects the Cumberland Empowerment Zone Corp.'s financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

	2021
Financial Assets at Year End	$7,502,752
Less: Those Unavailable for General Expenditures Within One Year	429,662
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$7,073,090

J. LITIGATION, RISKS AND UNCERTAINITIES

Landis Theater Settlement

On May 18, 2010 the CEZ made an unsecured loan to USB Landis Investment Fund, LLC in the principal amount of $750,000 to help fund the renovations of the Landis Theater in Vineland, NJ. On May 20, 2020 the Vineland Development Corporation ("VDC") sold the Landis Theater to Ghostlight Theatrical Productions. In February 2021, the VDC and CEZ came to agreement on a settlement for the outstanding note. Out of a sense of comity and joint purpose, and to obtain a release of any rights that the CEZ may have against any person or entity arising out of the original note, the VDC agreed to pay the CEZ $450,000. As part of the agreement the CEZ will seek nothing further from the VDC or any person or entity by reason of the note and will not seek or assert any interest in the Landis Theater in the future.

Covid-19 Pandemic

In January 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a *Public Health Emergency of International Concern,* which has developed rapidly throughout 2020, with a significant number of cases. Measures taken by various governments to contain the virus has affected economic activity. As of the date of these financial statements, we are unable to determine the economic impact the virus will have on the CEZC.

NOTE 12 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

K. PROPERTY, PLANT AND EQUIPMENT (AT 12/31/2021)

	Cost	Accumulated Depreciation	Book Value
Depreciable Assets			
Office Furniture & Equipment	$ 30,145	$ 9,044	$ 21,102
Total Depreciable Assets	$ 30,145	$ 9,044	$ 21,102

	Life	Depr./Amort. Expense
Depreciation Expense		
Office Furniture & Equipment	10 yrs.	$ 3,015
Total Depreciable Assets		$ 3,015

L. SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through June 8, 2022, the date which the financial statements were available to be issued.

On January 26, 2022 the Cumberland County Improvement Authority and the Cumberland Empowerment Zone Corporation terminated their Administrative and Managerial Services Agreement and Property Development and Management Agreement, effective January 1, 2022. Additionally, certain employees of the Cumberland County Improvement Authority shall terminate and resume full time employment with the Cumberland Empowerment Zone. The two sides also mutually released each other from any and all claims or obligations of whatever nature including but not limited to the payment of further expenses or revenues.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION - PART II
SCHEDULES OF PROPORTIONATE SHARE, EMPLOYER CONTRIBUTIONS AND NOTES
STATE OF NEW JERSEY PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

Schedule of Proportionate Share of Net Pension Liability at June 30 (measurement date)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's Proportion of the Net Pension Liability	0.0548573875%	0.0572258317%	0.0548037149%	0.0410251640%	0.0320508100%	0.0307909211%	0.0302375415%	0.0286952278%	0.0234671743%	0.0256294937%
Authority's Proportionate Share of the Net Pension Liability	$ 8,278,735	$ 6,779,258	$ 8,937,053	$ 7,392,112	$ 6,310,645	$ 7,167,634	$ 8,955,493	$ 6,441,504	$ 4,393,697	$ 4,898,305
Authority's Covered-Employee Payroll (Plan Measurement Year)	$ 3,933,672	$ 4,126,964	$ 3,878,288	$ 2,613,088	$ 2,279,784	$ 2,123,576	$ 2,106,244	$ 1,928,132	$ 1,543,668	$ 1,742,508
Authority's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	210.46%	164.27%	230.44%	282.89%	276.81%	337.53%	425.19%	334.08%	284.63%	281.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	79.18%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Schedule of Employer Contributions

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 691,778	$ 670,181	$ 599,525	$ 399,054	$ 318,802	$ 285,245	$ 268,626	$ 246,702	$ 193,460	$ 193,113
Contributions in Relation to the Contractually Required Contribution	(691,778)	(670,181)	(599,525)	(399,054)	(318,802)	(285,245)	(268,626)	(246,702)	(193,460)	(193,113)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Covered-Employee Payroll	$ 3,865,336	$ 3,944,189	$ 3,997,062	$ 3,933,635	$ 2,830,522	$ 2,240,579	$ 2,109,414	$ 2,071,361	$ 1,913,595	$ 1,630,482
Contributions as a Percentage of Authority's Covered-Employee Payroll	17.90%	16.99%	15.00%	10.14%	11.26%	12.73%	12.73%	11.91%	10.11%	11.84%

Notes

Changes in Benefit Terms - There were no significant changes in benefits for the July 1, 2021 and 2020 actuarial valuation.

Changes in Assumptions - In accordance with Paragraph 44 of GASB Statement No. 67 the discount rate for June 30, changed as follows:

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
7.00%	7.00%	7.00%	6.28%	5.66%	5.00%	3.98%	4.90%	5.39%	5.55%

Schedule Presentation - These schedules are presented to illustrate the requirement to show information for 10 years.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION
PART III

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION - PART III
POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios at December 31

	2022	2021	2020	2019	2018
Total OPEB Liabiltiy					
Service Cost	$ 207,136	$ 426,648	$ 426,648	$ 243,295	$ 243,295
Interest on Total OPEB Liability - Over Measurement Period	89,284	91,686	90,340	85,868	72,904
Benefit Payments	(14,826)	(5,857)			
Recognition of Experience Changes	(286,549)				
Recognition of Assumption Changes	(127,646)	(279,053)	513,654	690,213	
Net Change on Total OPEB Liability	(132,601)	233,424	1,030,642	1,019,376	316,199
Total OPEB Liability - Beginning	4,134,487	3,901,063	2,870,421	1,851,045	1,534,846
Total OPEB Liabiltiy - Ending	$ 4,001,886	$ 4,134,487	$ 3,901,063	$ 2,870,421	$ 1,851,045
Covered-Employee Payroll	$ 3,865,336	$ 3,994,189	$ 3,997,062	$ 3,933,635	$ 2,830,522
Total OPEB Liability as a Percentage of Covered-Employee Payroll	103.53%	103.51%	97.60%	72.97%	65.40%

Notes

Changes in Benefit Terms - There were no significant changes in benefits for the December 31, 2022 actuarial valuation.

Changes in Assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2022	2021	2020	2019	2018
3.72%	2.06%	2.12%	2.74%	4.10%

Schedule Presentation - These schedules are 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.

See accompanying independent auditors’ report.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
NET INVESTMENT IN CAPITAL ASSETS, RESTRICTED AND UNRESTRICTED
YEARS ENDED DECEMBER 31, 2022 AND 2021

	SOLID WASTE OPERATIONS							OTHER OPERATIONS				TOTAL	
		UNRESTRICTED		RESTRICTED					UNRESTRICTED		RESTRICTED		
	INVESTMENT IN CAPITAL ASSETS	UNDESIGNATED	DESIGNATED	OPERATING RESERVE	RENEWAL AND REPLACEMENT	DEBT SERVICE	CLOSURE AND POST-CLOSURE	INVESTMENT IN CAPITAL ASSETS	UNDESIGNATED	DESIGNATED	DEBT SERVICE	2022 (MEMO)	2021 (MEMO)
OPERATING REVENUE:													
Landfill Tipping Fees	$	$ 15,099,094	$	$	$	$	$	$	$	$	$	$ 15,099,094	$ 15,637,744
Lease/Rental Income									9,946,852			9,946,852	9,732,553
Interest Income on Leases									397,413			397,413	396,812
Project Management Fee									1,037,911			1,037,911	1,010,668
Renewable Energy Revenue		544,929										544,929	502,102
Recycle Revenue		1,042,875										1,042,875	635,309
Operating Grants		338,971							507,506			846,477	822,157
Project Income - Fleet Maintenance									176,003			176,003	285,166
Administrative Fees/Bond Transaction Fees/Real Estate Transactions									2,488			2,488	9,369
Property Management Fee									1,065,473			1,065,473	1,030,457
Other		65,375							1,258,491			1,323,866	742,961
	-	17,091,244	-	-	-	-	-	-	14,392,137	-	-	31,483,381	30,805,298
OPERATING EXPENSES:													
Cost of Providing Services		9,772,563							4,762,008			14,534,571	12,116,116
Administrative and General		3,084,660							1,146,420			4,231,080	4,149,051
Closure and Postclosure Costs		1,081,037										1,081,037	1,832,613
Depreciation		5,190,682							4,611,388			9,802,070	9,265,817
	-	19,128,942	-	-	-	-	-	-	10,519,816	-	-	29,648,758	27,363,597
OPERATING INCOME (LOSS)	-	(2,037,698)	-	-	-	-	-	-	3,872,321	-	-	1,834,623	3,441,701
NON-OPERATING REVENUE (EXPENSES):													
Interest Income		4,347			30,503	159,687	354,415		18,343		26,430	593,725	361,641
Interest Expense		(324,024)							(5,359,520)			(5,683,544)	(5,965,579)
Other Non-Operating Income		75,699							733,374			809,073	1,259,378
PILOT Program-Municipal									(9,334)			(9,334)	(694,105)
Abandoned Projects									(818,007)				
Appropriated to County		(744,605)										(744,605)	(190,019)
Premium Paid - Prepayment of Debt									(665,000)				
Debt Issue Costs Incurred		(4,505)							(60,714)			(65,219)	67,862
Gain on Disposal of Assets		798,773							692,623			1,491,396	
Net Decrease in Fair Value of Investments		(2,462,131)							(78,750)			(2,540,881)	(789,430)
	-	(2,656,446)	-	-	30,503	159,687	354,415	-	(5,546,985)	-	26,430	(6,149,389)	(5,950,252)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS		(4,694,144)	-		30,503	159,687	354,415		(1,674,664)		26,430	(5,797,773)	(2,521,384)
CONTRIBUTIONS AND TRANSFERS:													
Capital Contributions		36,141							-			36,141	324,370
Other Transfers	(1,061,986)	444,389	30,261	136,860	884,578	(79,687)	(354,415)	(516,652)	526,551	(6,191)	(3,708)		
INCREASE (DECREASE) IN NET POSITION	(1,061,986)	(4,213,614)	30,261	136,860	915,081	80,000	-	(516,652)	(1,148,113)	(6,191)	22,722	(5,761,632)	(2,197,014)
NET POSITION - JANUARY 1,	35,917,277	(13,538,142)	744,605	1,945,840	777,152	1,610,000	-	7,227,838	(308,404)	395,820	525,500	35,297,486	37,494,500
NET POSITION - DECEMBER 31,	$ 34,855,291	$ (17,751,756)	$ 774,866	$ 2,082,700	$ 1,692,233	$ 1,690,000	$ -	$ 6,711,186	$ (1,456,517)	$ 389,629	$ 548,222	$ 29,535,854	$ 35,297,486
UNRESTRICTED NET POSITION (DEFICIT) - UNDESIGNATED-													
Related to Pensions (GASB 68, 71)		$ (7,438,143)							$ (704,634)				
Related to OPEB (GASB 75)		(2,839,827)							(751,883)				
Before GASB 68, 71 Pension and GASB 75 OPEB Related Items		(7,473,786)							-				
		$ (17,751,756)							$ (1,456,517)				

SCHEDULE 2

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF NET POSITION
DECEMBER 31, 2022 AND 2021

	2022			2021		
	Solid Waste Operations	Other	Total	Solid Waste Operations	Other	Total
ASSETS						
CURRENT ASSETS - UNRESTRICTED:						
Cash	$ 785,653	$ 161,950	$ 947,603	$ 579,927	$ 554,107	$ 1,134,034
Investments	500,000		500,000			
Accounts Receivable	1,056,208	754,086	1,810,294	1,048,365	541,141	1,589,506
Loans Receivable	52,349	150,000	202,349	52,219	-	52,219
Interest Receivable - Loans	263	8,970	9,233	328	41,709	42,037
Grant Funds Receivable	151,954	40,481	192,435	97,406	356,447	453,853
Other Receivables	7,094	1,168,446	1,175,540	8,116	828,556	836,672
Lease Receivables		9,577,065	9,577,065		9,252,283	9,252,283
Due from NJ IBank	877,604		877,604			
Due from Restricted Assets	92,811		92,811	472,207		472,207
Inventories	142,611	148,516	291,127	49,391	110,021	159,412
Prepaid Expenses	52,834	39,409	92,243	74,055	37,816	111,871
Total Current Assets - Unrestricted	3,719,381	12,048,923	15,768,304	2,382,014	11,722,080	14,104,094
CURRENT ASSETS - RESTRICTED:						
Accounts Required by the Authority's Bond Resolutions/Loan Agreements:						
Cash	10,066,446	58,461,897	68,528,343	15,620,719	61,193,635	76,814,354
Cash Held by Fiscal Agent					300,558	300,558
Investments	1,679,266		1,679,266			
Other Restricted Accounts:						
Cash	439,468	537,652	977,120	396,151	1,197,761	1,593,912
Investments	718,420		718,420	2,322,647		2,322,647
Interest Receivable	115,200		115,200	91,029		91,029
Interfunds	3,131,229	(3,131,229)		5,351,680	(5,351,680)	
Total Current Assets - Restricted	16,150,029	55,868,320	72,018,349	23,782,226	57,340,274	81,122,500
NONCURRENT ASSETS:						
Investments - Accounts Required by Bond Resolutions	3,236,940		3,236,940			
Investments - Other Restricted Accounts	16,201,748		16,201,748	16,328,863	1,000,000	17,328,863
Investment in Redevelopment Sites		2,000,000	2,000,000		2,112,500	2,112,500
Lease Receivables - Noncurrent		197,001,916	197,001,916		201,047,384	201,047,384
Loans Receivable - Noncurrent	157,836	12,141,725	12,299,561	210,186	12,141,725	12,351,911
Prepaid Bond Insurance	13,515	285,467	298,982	18,019	290,552	308,571
Capital Assets, Net	53,992,471	92,041,385	146,033,856	52,391,316	102,320,082	154,711,398
Total Noncurrent Assets	73,602,510	303,470,493	377,073,003	68,948,384	318,912,243	387,860,627
TOTAL ASSETS	93,471,920	371,387,736	464,859,656	95,112,624	387,974,597	483,087,221
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred Loss on Defeasance of Debt	62,073		62,073	108,201		108,201
Deferred Amount Relating to Pensions	2,484,078	414,639	2,898,717	3,040,917	716,549	3,757,466
Deferred Amount Relating to OPEB	616,783	334,455	951,238	691,212	330,687	1,021,899
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,162,934	749,094	3,912,028	3,840,330	1,047,236	4,887,566

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF NET POSITION
DECEMBER 31, 2022 AND 2021

	2022			2021		
	Solid Waste Operations	Other	Total	Solid Waste Operations	Other	Total
CURRENT LIABILITIES PAYABLE FROM UNRESTRICTED ASSETS:						
Accounts Payable - Operations	$ 801,419	$ 630,088	$ 1,431,507	$ 1,659,283	$ 357,283	$ 2,016,566
Other Payables		1,038,507	1,038,507		2,184,327	2,184,327
Accrued Liabilities	96,246	48,044	144,290	96,272	1,200,183	1,296,455
Accrued Liabilities - Pension	533,448	158,330	691,778	519,444	150,737	670,181
Customer Deposits	154,400		154,400	149,400		149,400
Landfill Taxes Payable	177,517		177,517	185,084		185,084
Host Community Benefit Payable	50,167		50,167	53,181		53,181
Unearned Revenue	7,475	238,239	245,714	62,443	236,762	299,205
Unearned Grant Revenue	-	121,823	121,823	20,996	127,336	148,332
Total Current Liabilities Payable From Unrestricted Assets	1,820,672	2,235,031	4,055,703	2,746,103	4,256,628	7,002,731
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:						
Loans Payable	5,371,400	983,799	6,355,199	310,033	1,345,497	1,655,530
Contracts Payable - Construction	195,196	944,625	1,139,821	301	282,549	282,850
Contracts Payable - Retainage	-	138,905	138,905	7,611	330,094	337,705
Revenue Bonds Payable	2,188,908	3,494,000	5,682,908	2,103,908	3,282,000	5,385,908
Accrued Interest Payable - Revenue Bonds and Loans	187,235	1,023,768	1,211,003	231,472	1,045,467	1,276,939
Due to Unrestricted Assets	92,811		92,811	472,207		472,207
License Agreement Escrow	-			43,702		43,702
Total Current Liabilities Payable From Restricted Assets	8,035,550	6,585,097	14,620,647	3,169,234	6,285,607	9,454,841
LONG-TERM LIABILITIES:						
Revenue Bonds Payable	12,763,531	125,265,090	138,028,621	15,070,134	133,422,548	148,492,682
Loan Payable	590,610	9,985,635	10,576,245	959,747	11,218,862	12,178,609
Accrued Closure and Postclosure Care Costs	37,097,166		37,097,166	36,016,129		36,016,129
Accrued Liability Pension	266,724	79,165	345,889	259,723	75,368	335,091
Net Pension Liability	7,526,792	751,933	8,278,725	6,554,486	224,762	6,779,248
Net OPEB Obligation	3,050,770	951,116	4,001,886	3,136,753	997,734	4,134,487
Accrued Compensated Absences	138,619	57,058	195,677	129,079	68,419	197,498
Total Long-Term Liabilities	61,434,212	137,089,997	198,524,209	62,126,051	146,007,693	208,133,744
Total Liabilities	71,290,434	145,910,125	217,200,559	68,041,388	156,549,928	224,591,316
DEFERRED INFLOWS OF RESOURCES:						
Deferred Amount Relating to Pensions	1,595,246	58,216	1,653,462	3,277,509	970,317	4,247,826
Deferred Amount Relating to OPEB	405,840	220,070	625,910	177,325	84,835	262,160
Deferred Amount Relating to Arts & Innovation Project		3,784,375	3,784,375		3,784,375	3,784,375
Deferred Amount Relating to Leases		215,971,524	215,971,524		219,791,624	219,791,624
TOTAL DEFERRED INFLOWS OF RESOURCES	2,001,086	220,034,185	222,035,271	3,454,834	224,631,151	228,085,985
NET POSITION:						
Net Investment in Capital Assets	34,855,291	6,711,186	41,566,477	35,917,277	7,227,838	43,145,115
Restricted:						
Operations	2,082,700		2,082,700	1,945,840		1,945,840
Debt Service	1,690,000	548,222	2,238,222	1,610,000	525,500	2,135,500
Equipment Renewal and Replacement	1,692,233		1,692,233	777,152		777,152
Unrestricted (Deficit)	(16,976,890)	(1,066,888)	(18,043,778)	(12,793,537)	87,416	(12,706,121)
Total Net Position	$ 23,343,334	$ 6,192,520	$ 29,535,854	$ 27,456,732	$ 7,840,754	$ 35,297,486

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Solid Waste Operations	Other	Total	Solid Waste Operations	Other	Total
OPERATING REVENUE:						
Landfill Tipping Fees	$ 15,099,094	$	$ 15,099,094	$ 15,637,744	$	$ 15,637,744
Lease/Rental Income		9,946,852	9,946,852		9,732,553	9,732,553
Interest Income on Leases		397,413	397,413		396,812	396,812
Project Management Fee		1,037,911	1,037,911		1,010,668	1,010,668
Renewable Energy Revenue	544,929		544,929	502,102		502,102
Recycle Revenue	1,042,875		1,042,875	635,309		635,309
Operating Grants	338,971	507,506	846,477	294,210	527,947	822,157
Project Income - Fleet Maintenance		176,003	176,003		285,166	285,166
Admin. Fees/ Bond Transaction Fee/ Real Estate Transactions		2,488	2,488		9,369	9,369
Property Management Fee		1,065,473	1,065,473		1,030,457	1,030,457
Other Operating Income	65,375	1,258,491	1,323,866	67,217	675,744	742,961
Total Operating Revenue	17,091,244	14,392,137	31,483,381	17,136,582	13,668,716	30,805,298
OPERATING EXPENSES:						
Cost of Providing Services	9,772,563	4,762,008	14,534,571	7,663,094	4,453,022	12,116,116
Administrative and General	3,084,660	1,146,420	4,231,080	3,260,145	888,906	4,149,051
Closure and Postclosure Costs	1,081,037		1,081,037	1,832,613		1,832,613
Depreciation	5,190,682	4,611,388	9,802,070	4,713,049	4,552,768	9,265,817
Total Operating Expenses	19,128,942	10,519,816	29,648,758	17,468,901	9,894,696	27,363,597
OPERATING INCOME (LOSS)	(2,037,698)	3,872,321	1,834,623	(332,319)	3,774,020	3,441,701
NON-OPERATING REVENUE (EXPENSES):						
Interest Income	548,952	44,773	593,725	353,469	8,172	361,641
Interest Expense	(324,024)	(5,359,520)	(5,683,544)	(398,983)	(5,564,596)	(5,963,579)
Net Increase (Decrease) in Fair Value of Investments	(2,462,131)	(78,750)	(2,540,881)	(789,433)	3	(789,430)
Abondoned Projects		(818,007)	(818,007)			
Appropriated to County	(744,605)		(744,605)	(694,105)		(694,105)
Premium Paid - Prepayment of Debt		(665,000)	(665,000)			-
Debt Issue Costs Incurred	(4,505)	(60,714)	(65,219)	(4,505)	(185,514)	(190,019)
Gain/Loss on Disposal of Assets	798,773	692,623	1,491,396	67,862		67,862
PILOT Program - Municipal		(9,334)	(9,334)		(14,833)	(14,833)
Other Non-Operating Income	75,699	733,374	809,073	134,090	1,125,288	1,259,378
Total Non-Operating Revenue (Expenses)	(2,111,841)	(5,520,555)	(7,632,396)	(1,331,605)	(4,631,480)	(5,963,085)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(4,149,539)	(1,648,234)	(5,797,773)	(1,663,924)	(857,460)	(2,521,384)
CAPITAL CONTRIBUTIONS	36,141	-	36,141	158,294	166,076	324,370
CHANGE IN NET POSITION	(4,113,398)	(1,648,234)	(5,761,632)	(1,505,630)	(691,384)	(2,197,014)
NET POSITION-BEGINNING	27,456,732	7,840,754	35,297,486	28,962,362	8,532,138	37,494,500
TOTAL NET POSITION-ENDING	$ 23,343,334	$ 6,192,520	$ 29,535,854	$ 27,456,732	$ 7,840,754	$ 35,297,486

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUES AND COSTS FUNDED BY
REVENUES COMPARED TO BUDGET - BUDGETARY BASIS
SOLID WASTE OPERATIONS
YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2022 BUDGET	2022 ACTUAL	2021 ACTUAL
REVENUE:			
Closure Postclosure Escrow Funds Utilized	$	$ 16,095	$ 16,617
User Charges and Fees	15,238,763	15,099,094	15,637,744
Recycle Revenue	1,565,000	1,042,875	635,309
Methane Gas Project Revenue	407,000	544,929	502,102
Operating Grants	345,539	338,970	294,210
Interest Income	5,000	34,842	4,609
Rental Income		27,706	29,035
Miscellaneous Revenues		113,368	172,272
Total Revenue	17,561,302	17,217,879	17,291,898
EXPENSES:			
Costs of Providing Services:			
Salaries and Wages - Operations	2,154,285	2,157,151	2,176,871
Fringe Benefits	1,268,685	1,170,410	1,300,443
Consultant Services - Operations	616,491	777,551	633,191
Fuel	322,592	462,686	320,387
Equipment Maintenance Agreements	167,344	159,258	174,120
Tires	82,616	39,541	71,969
Replacement Parts	234,150	224,105	280,898
Repairs and Maintenance	179,032	171,325	143,719
Truck Wash Parts & Supplies	26,438	25,845	21,118
Tire Repair	6,000	41,335	3,594
Lawn Maintenance	46,500	38,374	35,774
Utilities	312,013	413,496	317,812
Recycle Rebate	12,750	21,956	11,026
Materials and Supplies	51,029	40,413	57,363
Road & Slope Maintentance	50,000	12,828	2,881
Gas Well Maintenance	75,000	148,451	32,895
Uniforms	60,868	41,893	54,464
Landfill Parts & Supplies	59,000	54,425	53,330
Security Services	11,920	12,188	11,413
Equipment Rental	238,800	210,215	82,692
Leachate Treatment	307,549	188,106	173,596
Leachate Hauling	485,012	762,514	666,092
Treatment Facility - Replacement Parts	176,155	349,697	147,291
Treatment Facility - Repairs and Maintenance	171,065	359,194	172,763
Groundwater Sampling and Analysis	60,000	66,233	67,562
Flare	68,000	53,725	65,314
Telephone	20,720	20,540	17,986
Disposal Fees	1,431,976	1,478,495	274,518
REA Grant	121,024	80,393	110,559
Promotional Materials	17,973	29,256	19,433
Public Awareness & Advertising	29,066	29,977	12,490
Other Operating Costs	36,788	38,265	41,283
	8,900,841	9,679,841	7,554,847

(Continued)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUES AND COSTS FUNDED BY
REVENUES COMPARED TO BUDGET - BUDGETARY BASIS
SOLID WASTE OPERATIONS
YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2022 BUDGET	2022 ACTUAL	2021 ACTUAL
EXPENSES (CONTINUED):			
Administrative and General Expenses:			
Salaries and Wages	$ 1,039,361	$ 980,696	$ 1,077,577
Fringe Benefits	573,802	544,691	556,334
Administrative Payroll Expense	10,392	10,596	10,257
Building Rent	304,088	304,087	301,756
Security	693	467	467
Office Supplies and Expense	32,250	24,737	37,705
Professional Services	345,325	296,751	345,569
Professional Services - Closure Related	17,200	16,095	16,617
Insurance	379,239	420,348	376,878
Travel, Conferences and Meetings	9,225	4,298	6,548
Dues and Subscriptions	7,784	5,179	3,466
Utilities	44,029	31,676	40,281
Telephone	21,064	20,246	19,949
Licenses, Permits, Penalties and Assessments	183,737	99,502	152,377
Other Administrative Expenses	129,368	129,782	148,866
Training Programs	23,850	37,178	8,859
Repairs and Maintenance	31,779	53,335	21,125
Public Awareness and Advertising	40,500	29,231	13,330
REA Grant	32,579	33,325	36,275
Public Relations	19,500		
Automotive Supplies and Expenses	6,000	12,163	11,621
Litter Abatement Program	43,560	59,406	20,797
	3,295,325	3,113,789	3,206,654
Interest Expense	436,952	395,591	486,982
OTHER COSTS FUNDED BY REVENUES:			
Principal Maturities	2,695,942	2,494,693	2,023,908
Capital Outlays	300,000	1,120,423	277,834
Reserve for Equipment Renewal and Replacement	824,600	922,010	954,938
Reserve for Operating and Maintenance	149,071	136,860	216,110
Debt Service Coverage Requirements	313,289		
Appropriated to County	744,605	744,605	694,105
	5,027,507	5,418,591	4,166,895
TOTAL COSTS FUNDED BY REVENUES	17,660,625	18,607,812	15,415,378

(Continued)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUES AND COSTS FUNDED BY
REVENUES COMPARED TO BUDGET - BUDGETARY BASIS
SOLID WASTE OPERATIONS
YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2022 BUDGET	2022 ACTUAL	2021 ACTUAL
REVENUES OVER (UNDER) COSTS FUNDED BY REVENUES	$ (99,323)	$ (1,389,933)	$ 1,876,520
Reconciliation of Budgetary Basis to Change in Net Position:			
Adjustments to Budgetary Basis:			
Interest Income not used for Operations		514,109	348,860
Capital Outlays		1,120,423	277,834
Principal Maturities		2,494,693	2,023,908
Transfers to Renewal and Replacement Reserves		922,010	954,938
Increase in Reserve for Operating and Maintenance		136,860	216,110
Increase (Decrease) in Fair Value of Investments		(2,462,131)	(789,433)
Closure Postclosure Escrow Funds Utilized		(16,095)	(16,617)
Amortization Charged to Interest Expense		71,569	87,999
Depreciation		(5,190,682)	(4,713,049)
Gain on Disposal of Assets		798,773	67,862
Closure Post Closure Expenses per GAAP		(1,081,037)	(1,832,613)
Debt Issuance Costs Incurred		(4,505)	(4,505)
Capital Contributions		36,141	158,294
OPEB - Difference of GAAP vs. Budgetary Basis		(195,703)	(383,003)
Pension Expense - Difference of GAAP vs. Budgetary Basis		132,110	221,265
CHANGE IN NET POSITION PER SCHEDULE 3		$ (4,113,398)	$ (1,505,630)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUES AND COSTS FUNDED BY
REVENUES COMPARED TO BUDGET - BUDGETARY BASIS
OTHER OPERATIONS
YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2022 BUDGET	2022 ACTUAL	2021 ACTUAL
REVENUE:			
Lease/Rental Income	$ 10,275,784	$ 10,344,265	$ 10,129,365
Project Management Fee	1,959,490	1,037,911	1,010,668
Admin. Fees/ Bond Transaction Fee/ Real Estate Transactions	330,328	2,488	9,369
Fuel Income (Gas & CNG)	435,240	536,458	516,639
Fleet Maintenance	105,000	176,003	285,166
Property Management Fee	1,065,473	1,065,473	1,030,457
Other Operating Income	225,962	924,604	600,166
Miscellaneous Income	166,836	530,803	684,227
Operating Grants	5,000	507,506	527,947
Interest Income		44,773	8,171
Total Revenue	14,569,113	15,170,284	14,802,175
EXPENSES:			
Costs of Providing Services:			
Salaries	1,364,936	1,528,738	1,434,105
Employee Benefits	920,846	895,379	850,187
Building Services	1,072,306	1,209,160	967,885
Repairs and Maintenance	50,000	168,065	236,069
Garage Lease	4,116	11,616	4,116
Grant Expenses	5,000	475,934	494,669
Fuel and CNG	338,000	322,409	321,332
Other Operating Expenses	147,922	64,736	74,859
	3,903,126	4,676,037	4,383,222
Administrative and General Expenses:			
Salaries	184,981	198,270	151,053
Employee Benefits	69,052	124,998	69,586
Professional Services	177,635	476,079	287,980
Property Management	189,504	185,504	185,504
Insurance	21,064	21,335	25,509
Marketing and Advertising	48,916	35,387	46,958
Sponsorships	12,450		
Other Administrative Expenses	124,103	156,342	127,182
	827,705	1,197,915	893,772
Interest Expense	5,165,195	5,454,977	5,651,443

(Continued)

SCHEDULE 4B

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUES AND COSTS FUNDED BY
REVENUES COMPARED TO BUDGET - BUDGETARY BASIS
OTHER OPERATIONS
YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2022 BUDGET	2022 ACTUAL	2021 ACTUAL
OTHER COSTS FUNDED BY REVENUES:			
Principal Maturities	$ 4,009,599	$ 4,782,925	$ 3,948,657
Capital Outlays	140,000	47,138	65,584
Replacement Reserve	52,118	50,284	70,284
PILOT Program - Municipal		9,334	14,833
	4,201,717	4,889,681	4,099,358
TOTAL COSTS FUNDED BY REVENUES	14,097,743	16,218,610	15,027,795
REVENUES OVER (UNDER) COSTS FUNDED BY REVENUES	$ 471,370	$ (1,048,326)	$ (225,620)
Reconciliation of Budgetary Basis to Change in Net Position:			
Adjustments to Budgetary Basis:			
Abondoned Projects		(818,007)	
Capital Outlays		47,138	65,584
Transfers to Renewal and Replacement Reserves		50,284	70,284
Principal Maturities		4,782,925	3,948,657
Capital Contributions			166,076
Debt Issue Costs Incurred		(60,714)	(185,514)
Amortization Charged to Interest Expense		95,457	86,848
Increase (Decrease) in Fair Value of Investments		(78,750)	3
Gain on Disposal of Assets		692,623	
Premium Paid - Prepayment of Debt		(665,000)	
OPEB - Difference of GAAP vs. Budgetary Basis		(106,106)	(170,793)
Pension Expense - Difference of GAAP vs. Budgetary Basis		71,630	105,859
Depreciation		(4,611,388)	(4,552,768)
CHANGE IN NET POSITION PER SCHEDULE 3		$ (1,648,234)	$ (691,384)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF RECONCILIATION OF BUDGETARY REVENUES AND COSTS FUNDED BY REVENUES TO CHANGE IN NET POSITION
YEARS ENDED DECEMBER 31, 2022 AND 2021

		2022		2021
Revenues Over (Under) Costs Funded By Revenues:				
Solid Waste Operations - Schedule 4A	$	(1,389,933)	$	1,876,520
Other Operations - Schedule 4B		(1,048,326)		(225,620)
		(2,438,259)		1,650,900
Adjustments to Budgetary Basis:				
Abondoned Projects	$	(818,007)	$	-
Interest Income not used for Operations		514,109		348,860
Capital Outlays		1,167,561		343,418
Principal Maturities		7,277,618		5,972,565
Transfers to Renewal and Replacement Reserves		972,294		1,025,222
Increase (Decrease) in Fair Value of Investments		(2,540,881)		(789,430)
Increase in Reserve for Operating and Maintenance		136,860		216,110
Closure Postclosure Escrow Funds Utilized		(16,095)		(16,617)
Amortization Charged to Interest Expense		167,026		174,847
Depreciation		(9,802,070)		(9,265,817)
Gain on Disposal of Assets		1,491,396		67,862
Closure Post Closure Expenses per GAAP		(1,081,037)		(1,832,613)
Debt Issue Costs Incurred		(65,219)		(190,019)
Premium Paid - Prepayment of Debt		(665,000)		
OPEB - Difference of GAAP vs. Budgetary Basis		(301,809)		(553,796)
Pension Expense - Difference of GAAP vs. Budgetary Basis		203,740		327,124
Capital Contributions		36,141		324,370
Change in Net Position Per Exhibit B	$	(5,761,632)	$	(2,197,014)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUE BONDS PAYABLE
DECEMBER 31, 2022

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	INTEREST RATE	BALANCE JANUARY 1, 2022	PRINCIPAL ADDITIONS 2022	PRINCIPAL MATURITIES 2022	ADDITIONAL PAID 2022	DEFEASED 2022	BALANCE DECEMBER 31, 2022
2014 County Guaranteed Facilities Acquisition Project Revenue Bonds	$ 17,955,000	5/29/2014	5/1/2023	$ 610,000	5.000%	$ 14,745,000	$ -	$ 580,000		$ -	$ 14,165,000
			5/1/2024	640,000	5.000%						
			5/1/2025	665,000	3.000%						
			5/1/2026	690,000	3.130%						
			5/1/2027	710,000	3.130%						
			5/1/2028	730,000	3.250%						
			5/1/2029	755,000	3.500%						
			5/1/2030	785,000	3.750%						
			5/1/2031	815,000	3.750%						
			5/1/2032	845,000	3.750%						
			5/1/2033	875,000	3.750%						
			5/1/2034	915,000	3.750%						
			5/1/2035	945,000	4.000%						
			5/1/2036	985,000	4.000%						
			5/1/2037	1,025,000	4.000%						
			5/1/2038	1,065,000	4.000%						
			5/1/2039	1,110,000	4.000%						
2015A County Guaranteed Solid Waste Revenue Refunding Bonds	14,595,000	5/29/2015	1/1/2023	1,690,000	5.000%	8,870,000		1,610,000			7,260,000
			1/1/2024	1,780,000	5.000%						
			1/1/2025	1,860,000	4.000%						
			1/1/2026	1,930,000	3.000%						
2015 Lease Revenue Bonds - State Office Buildings Project	3,975,000	8/25/2015	6/15/2023	260,000	3.690%	2,930,000		255,000			2,675,000
			6/15/2024	265,000	3.690%						
			6/15/2025	275,000	3.690%						
			6/15/2026	355,000	3.690%						
			6/15/2027	365,000	3.690%						
			6/15/2028	375,000	3.690%						
			6/15/2029	385,000	3.690%						
			6/15/2030	395,000	3.690%						

(Continued)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUE BONDS PAYABLE
DECEMBER 31, 2022

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	INTEREST RATE	BALANCE JANUARY 1, 2022	PRINCIPAL ADDITIONS 2022	PRINCIPAL MATURITIES 2022	ADDITIONAL PAID 2022	DEFEASED 2022	BALANCE DECEMBER 31, 2022
2017 New Jersey Environmental Infrastructure Trust Loan	$ 2,510,000	5/25/2017	9/2/2023	$ 110,000	5.000%	$ 2,125,000	$ -	$ 105,000		$ -	$ 2,020,000
			9/2/2024	120,000	5.000%						
			9/2/2025	125,000	5.000%						
			9/2/2026	130,000	3.000%						
			9/2/2027	135,000	3.000%						
			9/1/2028	140,000	3.000%						
			9/1/2029	140,000	3.000%						
			9/1/2030	145,000	3.000%						
			9/1/2031	150,000	3.000%						
			9/1/2032	155,000	3.000%						
			9/1/2033	160,000	3.125%						
			9/1/2034	165,000	3.250%						
			9/1/2035	170,000	3.250%						
			9/1/2036	175,000	3.375%						
2017 New Jersey Environmental Infrastructure Fund Loan	7,648,515	5/25/2017	2023	388,908	N/A	5,833,613		388,908			5,444,705
			2024	388,908							
			2025	388,908							
			2026	388,908							
			2027	388,908							
			2028	388,908							
			2029	388,908							
			2030	388,908							
			2031	388,908							
			2032	388,908							
			2033	388,908							
			2034	388,908							
			2035	388,908							
			2036	388,901							

(Continued)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUE BONDS PAYABLE
DECEMBER 31, 2022

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	INTEREST RATE	BALANCE JANUARY 1, 2022	PRINCIPAL ADDITIONS 2022	PRINCIPAL MATURITIES 2022	ADDITIONAL PAID 2022	DEFEASED 2022	BALANCE DECEMBER 31, 2022
2017 Revenue Bonds	$ 12,000,000	10/4/2017	10/4/2023	121,000	4.375%	$ 11,261,000	-	$ 113,000	$ 6,652,000	-	$ 4,496,000
			10/4/2024	128,000	4.375%						
			10/4/2025	136,000	4.375%						
			10/4/2026	144,000	4.375%						
			10/4/2027	153,000	4.375%						
			10/4/2028	162,000	4.375%						
			10/4/2029	172,000	6.950%						
			10/4/2030	182,000	6.950%						
			10/4/2031	194,000	6.950%						
			10/4/2032	206,000	6.950%						
			10/4/2033	219,000	6.950%						
			10/4/2034	232,000	6.950%						
			10/4/2035	246,000	6.950%						
			10/4/2036	261,000	6.950%						
			10/4/2037	277,000	6.950%						
			10/4/2038	294,000	6.950%						
			10/4/2039	312,000	6.950%						
			10/4/2040	332,000	6.950%						
			10/4/2041	352,000	6.950%						
			10/4/2042	373,000	6.950%						
Series 2017 City of Vineland Public Safety Project	21,935,000	12/12/2017	12/15/2023	680,000	5.000%	21,295,000		610,000			20,685,000
			12/15/2024	715,000	5.000%						
			12/15/2025	750,000	5.000%						
			12/15/2026	785,000	5.000%						
			12/15/2027	825,000	5.000%						
			12/15/2028	865,000	4.000%						
			12/15/2029	900,000	4.000%						
			12/15/2030	935,000	4.000%						
			12/15/2031	975,000	4.000%						
			12/15/2032	1,015,000	4.000%						
			12/15/2033	1,055,000	3.250%						
			12/15/2034	1,090,000	3.250%						
			12/15/2035	1,125,000	3.250%						
			12/15/2036	1,160,000	3.250%						
			12/15/2037	1,200,000	3.250%						
			12/15/2038	1,235,000	3.375%						
			12/15/2039	1,280,000	3.375%						
			12/15/2040	1,320,000	3.375%						
			12/15/2041	1,365,000	3.375%						
			12/15/2042	1,410,000	3.375%						

(Continued)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUE BONDS PAYABLE
DECEMBER 31, 2022

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	INTEREST RATE	BALANCE JANUARY 1, 2022	PRINCIPAL ADDITIONS 2022	PRINCIPAL MATURITIES 2022	ADDITIONAL PAID 2022	DEFEASED 2022	BALANCE DECEMBER 31, 2022
2018 Revenue Bonds	$ 3,200,000	9/15/2018	12/31/2023	183,000	4.980%	$ 2,724,000	-	$ 175,000		-	$ 2,549,000
			12/31/2024	192,000	4.980%						
			12/31/2025	201,000	4.980%						
			12/31/2026	211,000	4.980%						
			12/31/2027	222,000	4.980%						
			12/31/2028	231,000	4.980%						
			12/31/2029	240,000	4.980%						
			12/31/2030	249,000	6.950%						
			12/31/2031	259,000	6.950%						
			12/31/2032	275,000	6.950%						
			12/31/2033	286,000	6.950%						
2018 Revenue Bonds											
County Correctional Facility Project	64,990,000	12/13/2018	10/1/2023	705,000	5.00%	63,740,000		670,000			63,070,000
			10/1/2024	740,000	5.00%						
			10/1/2025	780,000	5.00%						
			10/1/2026	815,000	5.00%						
			10/1/2027	860,000	5.50%						
			10/1/2028	905,000	5.00%						
			10/1/2029	950,000	5.50%						
			10/1/2030	1,000,000	5.00%						
			10/1/2031	1,050,000	5.00%						
			10/1/2032	1,100,000	5.00%						
			10/1/2033	1,155,000	5.00%						
			10/1/2034	1,215,000	5.00%						
			10/1/2035	1,275,000	5.00%						
			10/1/2036	1,340,000	5.00%						
			10/1/2037	1,405,000	5.00%						
			10/1/2038	1,475,000	5.00%						
			10/1/2039	1,550,000	4.00%						
			10/1/2040	1,610,000	4.00%						
			10/1/2041	1,675,000	4.00%						
			10/1/2042	1,740,000	4.00%						
			10/1/2043	1,810,000	4.00%						
			10/1/2044	1,885,000	4.00%						
			10/1/2045	1,960,000	4.00%						
			10/1/2046	2,040,000	4.00%						
			10/1/2047	2,120,000	4.00%						
			10/1/2048	2,205,000	4.00%						
			10/1/2049	2,290,000	4.00%						
			10/1/2050	2,385,000	4.00%						
			10/1/2051	2,480,000	4.00%						
			10/1/2052	2,580,000	4.00%						
			10/1/2053	2,680,000	4.00%						
			10/1/2054	2,790,000	4.00%						
			10/1/2055	2,900,000	5.00%						
			10/1/2056	3,045,000	5.00%						
			10/1/2057	3,200,000	5.00%						
			10/1/2058	3,355,000	5.00%						

(Continued)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUE BONDS PAYABLE
DECEMBER 31, 2022

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	INTEREST RATE	BALANCE JANUARY 1, 2022	PRINCIPAL ADDITIONS 2022	PRINCIPAL MATURITIES 2022	ADDITIONAL PAID 2022	DEFEASED 2022	BALANCE DECEMBER 31, 2022
2019 County Guaranteed-											
Administration Building	$ 4,970,000	4/4/2019	3/15/2023	$ 90,000	3.00%	$ 4,800,000	$ -	$ 90,000		$ -	$ 4,710,000
			3/15/2024	95,000	3.00%						
			3/15/2025	100,000	5.00%						
			3/15/2026	100,000	5.00%						
			3/15/2027	105,000	5.00%						
			3/15/2028	110,000	5.00%						
			3/15/2029	120,000	5.00%						
			3/15/2030	125,000	5.00%						
			3/15/2031	130,000	5.00%						
			3/15/2032	135,000	5.00%						
			3/15/2033	145,000	5.00%						
			3/15/2034	150,000	5.00%						
			3/15/2035	160,000	5.00%						
			3/15/2036	165,000	5.00%						
			3/15/2037	175,000	5.00%						
			3/15/2038	185,000	5.00%						
			3/15/2039	195,000	5.00%						
			3/15/2040	200,000	3.50%						
			3/15/2041	210,000	3.50%						
			3/15/2042	215,000	3.50%						
			3/15/2043	225,000	3.50%						
			3/15/2044	235,000	3.50%						
			3/15/2045	240,000	5.00%						
			3/15/2046	255,000	5.00%						
			3/15/2047	270,000	5.00%						
			3/15/2048	280,000	5.00%						
			3/15/2049	295,000	5.00%						
2020 Vineland Board of Education											
Bus Depot Project	3,165,000	4/28/2020	4/15/2023	635,000	1.52%	2,550,000		625,000		-	1,925,000
			4/15/2024	640,000	1.52%						
			4/15/2025	650,000	1.52%						

(Continued)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUE BONDS PAYABLE
DECEMBER 31, 2022

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	INTEREST RATE	BALANCE JANUARY 1, 2022	PRINCIPAL ADDITIONS 2022	PRINCIPAL MATURITIES 2022	ADDITIONAL PAID 2022	DEFEASED 2022	BALANCE DECEMBER 31, 2022
Bridgeton Fire Station Series 2021	$ 7,495,000	12/22/2021	12/31/2023	145,000	4.00%	$ 7,495,000					$ 7,495,000
			12/31/2024	150,000	4.00%						
			12/31/2025	160,000	4.00%						
			12/31/2026	165,000	4.00%						
			12/31/2027	170,000	4.00%						
			12/31/2028	175,000	4.00%						
			12/31/2029	185,000	4.00%						
			12/31/2030	190,000	4.00%						
			12/31/2031	200,000	4.00%						
			12/31/2032	210,000	4.00%						
			12/31/2033	215,000	4.00%						
			12/31/2034	225,000	4.00%						
			12/31/2035	235,000	4.00%						
			12/31/2036	245,000	4.00%						
			12/31/2037	255,000	3.00%						
			12/31/2038	260,000	3.00%						
			12/31/2039	270,000	3.00%						
			12/31/2040	275,000	3.00%						
			12/31/2041	285,000	3.00%						
			12/31/2042	295,000	4.00%						
			12/31/2043	305,000	4.00%						
			12/31/2044	315,000	4.00%						
			12/31/2045	330,000	4.00%						
			12/31/2046	345,000	4.00%						
			12/31/2047	355,000	3.00%						
			12/31/2048	365,000	3.00%						
			12/31/2049	380,000	3.00%						
			12/31/2050	390,000	3.00%						
			12/31/2051	400,000	3.00%						
Tech School Series 2022	$ 1,990,000	2/28/2022	12/15/2023	65,000	2.34%	-	1,990,000	70,000			1,920,000
			12/15/2024	65,000	2.34%						
			12/15/2025	65,000	2.34%						
			12/15/2026	70,000	2.34%						
			12/15/2027	70,000	2.34%						
			12/15/2028	70,000	2.34%						
			12/15/2029	75,000	2.34%						
			12/15/2030	75,000	2.34%						
			12/15/2031	75,000	2.34%						
			12/15/2032	80,000	2.34%						
			12/15/2033	80,000	2.34%						
			12/15/2034	80,000	2.34%						
			12/15/2035	85,000	2.34%						
			12/15/2036	965,000	2.34%						
						$ 148,368,613	$ 1,990,000	$ 5,291,908	$ 6,652,000	$ -	$ 138,414,705

SCHEDULE 6

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF LOANS PAYABLE
DECEMBER 31, 2022

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	INTEREST RATE	BALANCE JANUARY 1, 2022	ISSUED 2022	PAID 2022	REFUNDED 2022	BALANCE DECEMBER 31, 2022
2017 TD Loan Payable	$ 7,357,350	12/29/2017	12/1/2023	92,275	3.860%	$ 4,996,327	$ -	$ 306,628	$ -	$ 4,689,699
			12/1/2024	95,449						
			12/1/2025	4,501,975						
CEZC	1,000,000	6/14/2018	6/14/2023	1,000,000	NA	1,000,000				1,000,000
Equipment Loan - W. Park	700,000	7/31/2018			3.240%	419,010		419,010	-	-
Equipment Loan - CNG Station	3,000,000	7/31/2018	7/31/2023	293,714	3.380%	2,202,195		284,111		1,918,084
			7/31/2024	303,642						
			7/31/2025	313,905						
			7/31/2026	324,515						
			7/31/2027	335,485						
			7/31/2028	346,823						
Equipment Loan - 2019	200,000	10/10/2019	10/10/2023	40,822	2.100%	122,485		39,983		82,502
			10/10/2024	41,680						
Equipment Loan - Food	1,650,000	10/30/2020	10/30/2023	232,249	1.450%	1,424,342		228,929		1,195,413
			10/30/2024	235,617						
			10/30/2025	239,033						
			10/30/2026	242,499						
			10/30/2027	246,016						

(Continued)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF LOANS PAYABLE
DECEMBER 31, 2022

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	INTEREST RATE	BALANCE JANUARY 1, 2022	ISSUED 2022	PAID 2022	REFUNDED 2022	BALANCE DECEMBER 31, 2022
Equipment Loan - Gas Wells	$ 725,000	4/30/2020	4/30/2023	144,956	1.750%	$ 584,987		$ 142,463		$ 442,524
			4/30/2024	147,493						
			4/30/2025	150,075						
Equipment Loan - Generators	850,000	12/18/2020	12/18/2023	143,429	1.430%	684,793		248,322		436,471
			12/18/2024	145,480						
			12/18/2025	147,562						
TD Equipment Loan - SIM	2,400,000	9/30/2021	9/30/2023	324,739	2.680%	2,400,000		316,263		2,083,737
			9/30/2024	333,442						
			9/30/2025	342,378						
			9/30/2026	351,554						
			9/30/2027	360,975						
			9/30/2028	370,649						
Solid Waste NJIB Slide Slope - Interim Construction Loan	5,083,014	2/8/2022			Various		5,083,014			5,083,014
						$ 13,834,139	$ 5,083,014	$ 1,985,709	$ -	$ 16,931,444

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF CONDUIT DEBT
DECEMBER 31, 2022

ISSUE	DATE OF ISSUE	ISSUED AMOUNT	BALANCE JANUARY 1, 2022	BONDS ISSUED 2022	PRINCIPAL MATURITIES 2022	BONDS DEFEASED 2022	BALANCE DECEMBER 31, 2022
Guaranteed by Other Governmental Entities:							
Local Unit Program Bonds - City of Vineland Electric Utility Project, Series 2009B (1)	10/1/2009	$ 53,555,000	$ 25,000,000	$ -	$ 12,000,000	$ -	$ 13,000,000
Cumberland County General Obligation Revenue Bonds Technical High School Project, Series 2019	1/16/2019	21,035,000	19,885,000		575,000		19,310,000
Cumberland County General Obligation Bonds Technical High School Project, Series 2014	10/30/2014	63,890,000	27,320,000		2,100,000		25,220,000
Cumberland County General Obligation Revenue Refunding Bonds Technical High School Project, Series 2020	7/15/2020	31,335,000	30,510,000		400,000		30,110,000
			$ 102,715,000	$ -	$ 15,075,000	$ -	$ 87,640,000

(1) In June 2019, the City of Vineland issued its Electric Utility Refunding Bonds Series 2019, and established a Revocable Escrow Account with TD Bank that provided for the economic defeasance of its Series 2009 Bonds. That escrow account is being used by the Trustee to pay the debt service due on the Series 2009B Bonds issued in the name of the Authority, however, since it was a Revocable Escrow, the Bonds are still deemed outstanding.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
ROSTER OF OFFICIALS
AS OF DECEMBER 31, 2022

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

George M. Olivio	Chairman (to 2/22/22 and from 4/27/22 to 12/31/22)
	Assistant Treasurer (2/23/22 from 4/27/22)
Robert P. Nedohon, Jr.	Vice Chairman (to 2/22/22)
	Treasurer (from 4/27/22)
Albert B. Kelly	Secretary (to 2/22/22)
	Vice Chairman (from 2/23/22)
Dale K. Jones	Treasurer (to 2/22/22)
	Secretary (from 2/23/22)
Andre Lopez	Assistant Treasurer (to 4/26/22)
	Chairman (2/23/22 to 4/26/22)
Shelly Schneider	Assistant Treasurer (from 4/27/22)
Gerard Velazquez, III	President, CEO
Archer & Greiner, P.C.	Solicitor
Phoenix Advisors	Financial Advisors

CRIME POLICY/EMPLOYEE DISHONESTY

Traveler's Insurance Company

SINGLE AUDIT SECTION

Romano, Hearing, Testa & Knorr
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Chairman and Members of the
Cumberland County Improvement Authority
Millville, New Jersey

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cumberland County Improvement Authority, County of Cumberland's, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major Federal programs for the year ended December 31, 2022. The Authority's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cumberland County Improvement Authority, County of Cumberland complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cumberland County Improvement Authority, County of Cumberland and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cumberland County Improvement Authority, County of Cumberland's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Cumberland County Improvement Authority, County of Cumberland's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cumberland County Improvement Authority, County of Cumberland's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cumberland County Improvement Authority, County of Cumberland's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cumberland County Improvement Authority, County of Cumberland's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cumberland County Improvement Authority, County of Cumberland's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cumberland County Improvement Authority, County of Cumberland's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control over Compliance (Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

ROMANO, HEARING, TESTA & KNORR

Romano, Hearing, Testa & Knorr

Certified Public Accountants

September 22, 2023

SCHEDULE A

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

State Grantor/Program Title	CFDA Number	State Project Number	Award Amount	Grant Period From	Grant Period To	Balance Dec. 31, 2021 (Unearned Revenue)/ Accounts Receivable	Revenue Recognized	Cash Received	Budgetary Expenditures	Balance Dec. 31, 2022 Accounts Receivable	Balance Dec. 31, 2022 (Unearned Revenue)
U.S. Department of Environmental Protection:											
Passed-through New Jersey Department of Environmental Protection											
Capitalization Grants of Clean Water State Revolving Funds											
New Jersey Infrastructure Bank	66.458	S342015-04	$ 2,400,195	3/2/2022	Open	$ -	$ 2,186,656	$ 1,809,121	$ 2,186,656	$ 377,535	$ -
U.S. Federal Emergency Management Agency:											
Passed-through New Jersey State Police,											
Public Assistance Grants - FEMA-4488-DR-NJ (#2)	97.036	2020-100-C50-6120	17,891	11/3/2020	5/27/2022	-	17,891	17,891	17,891	-	-
Public Assistance Grants - FEMA-4488-DR-NJ (#4)	97.036	2020-100-C50-6120	18,612	3/22/2022	6/6/2022	-	18,612	18,612	18,612	-	-
Public Assistance Grants - FEMA-4488-DR-NJ (#5)	97.036	2020-100-C50-6120	13,427	8/5/2022	12/26/2022	-	13,427	-	13,427	13,427	-
U.S. Department of Housing and Urban Development (HUD):											
Passed through the State of New Jersey Dept. of Community Affairs											
Passed through the County of Cumberland, NJ											
CDBG-COVID-19 CV2 2020	14.228	2021-100-022-8020-2001-CV-20-6130	848,431	1/21/2020	12/31/2022	81,447	387,089	468,536	387,089	-	-
U.S. Department of Treasury:											
Passed through the County of Cumberland, NJ,											
Coronavirus Local Fiscal Recovery Fund - American Rescue Plan Act	21.027	N/A	400,000	11/1/2021	12/31/2024	-	37,634	37,634	37,634	-	-
U.S. Economic Development Administration											
Public Works and Economic Development Facilities	11.300	01-01-14761	$ 2,500,000	9/28/2017	12/28/2020	250,000		250,000		-	-
			$ 6,198,556			$ 331,447	$ 2,661,309	$ 2,601,794	$ 2,661,309	$ 390,962	$ -

The accompanying Notes to the Financial Statements and Notes to the Schedules of Expenditures of Federal Awards are an integral part of this schedule.

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes federal award activity of the Cumberland County Improvement Authority (hereafter referred to as the "Authority"). The Authority is defined in Note 1 to the Authority's basic financial statements. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as federal expenditures passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, with the exception of the capital assets purchases that are shown as expenditures in this schedule. The basis of accounting is described in Note 1 to the Authority's basic financial statements. The information in this schedule is also presented in accordance with the requirements of Federal Uniform Guidance; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Authority's financial reports as follows:

The Federal grant and loan expenditures are reported in the financial statements as follows:

Construction in Progress	$ 2,186,656
Operating Expenses	474,653
	$ 2,661,309

NOTE 4 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal financial reports.

NOTE 5 MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

NOTE 6 INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Section 1 - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued :	Unmodified	
Internal control over financial reporting :		
Material weakness(es) identified ?	____ yes	X no
Significant deficiency(ies) identified?	____ yes	X none reported
Noncompliance material to the financial statements noted?	____ yes	X no

Federal Awards

Internal control over compliance:		
Material weaknesses identified?	____ yes	X no
Significant deficiency(ies) identified not considered to be material weaknesses?	____ yes	X none reported
Type of auditor's report on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?	____ yes	X no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
66.458	Capitalization Grants of Clean Water State Revolving Funds

Dollar threshold used to determine Type A programs	$750,000	
Auditee qualified as low-risk auditee?	____ yes	X no

Section 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* or with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

Section 3 – Schedule of Federal Awards Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

None

Section 4 – Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

This section is Not Applicable

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

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* or with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

Not Applicable