



**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY**

**AUDIT REPORT**

**YEARS ENDED  
DECEMBER 31, 2023 AND 2022**

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
AUDIT REPORT  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
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## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

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, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Cumberland County Improvement Authority, a component unit of the County of Cumberland, State of New Jersey, as of December 31, 2023 and 2022, and the 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cumberland County Improvement Authority, a component unit of the County of Cumberland, State of New Jersey, 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.

### Emphasis of Matter

#### *Prior Period Restatement*

During the year ended December 31, 2023, the Authority determined that capitalized interest costs and interest earned during construction were inadvertently misclassified in prior years. As a result, the accompanying financial statements as of and for the year ended December 31, 2022 have been restated, as described in note 12 of the financial statements. Our opinion is not modified with respect to this matter.

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

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

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

## **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, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

## **Required Supplementary Information**

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

## **Required Supplementary Information (Continued)**

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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, accompanying supplementary schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

ROMANO, HEARING, TESTA & KNORR



Certified Public Accountants

September 10, 2024

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

### INDEPENDENT AUDITOR'S REPORT

Chairman and Commissioners 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, 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 Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the 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, 2023, 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 10, 2024. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements.

#### Report on Internal Control Over Financial Reporting

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

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

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

## Report on Compliance and Other Matters

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

### Purpose of this Report

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

ROMANO, HEARING, TESTA & KNORR



Certified Public Accountants

September 10, 2024



**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**



# THE AUTHORITY

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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, 2023. 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 \$32.8 million which is an increase of \$1.3 million or 4.1% over the prior year. Landfill Tipping Fees and Lease/Rental Income, the largest revenue sources, accounted for \$17.2 million and \$10.3 million, respectively. Landfill Tipping Fees increased \$2.1 million or 14%, and Lease Rental Income increased \$.3 million or 3.7%.

- During 2023, the Authority exercised its put option in relation to the “unwinding” of the New Markets Tax Credit structure for the Arts and Innovation Project. As a result, the Authority became the direct lender in the transaction, and became the 100% Owner of the NJ CC CDE Middlesex, LLC., which was subsequently liquidated, with the Millville Urban Redevelopment Arts and Innovation Center Corporation (“MURAICC”) continuing to be the Borrower. The Authority also entered into a separate agreement to acquire 100% of the MURAICC. The financial statements of the MURAICC are reported in the Authority's financial statements as a blended component unit.
- The Authority's Total Assets increased by \$15.9 million, an increase of 3.4%. Of the \$15.9 million increase, \$9.6 million were attributed to the assets of the blended component unit.
- 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 \$19.4 million, an increase of \$0.6 million or 3.4%.
- Closure/postclosure costs and depreciation expense totaled \$10.8 million, a decrease of \$0.04 million or 0.3%.
- During 2023, the Authority after consultation with the Audit team determined that capitalized interest costs and interest earned during construction were inadvertently misclassified in prior years. As a result, beginning net position as of January 1, 2022, was restated with a decrease of \$1.2 million.

## 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)

	<u>2023</u>	<u>(Restated)</u> <u>2022</u>	<u>2023-2022</u> <u>Increase/(Decrease)</u>	
			<u>\$</u>	<u>%</u>
Current Assets - Unrestricted	\$ 17,097	\$ 15,768	\$ 1,329	8.4%
Current Assets - Restricted	81,530	72,019	9,511	13.2%
Noncurrent Assets	381,460	376,320	5,140	1.4%
Total Assets	<u>480,087</u>	<u>464,107</u>	<u>15,980</u>	3.4%
Deferred Outflows of Resources	<u>2,387</u>	<u>3,912</u>	<u>(1,525)</u>	-39.0%
Current Liabilities Payable from Unrestricted Assets	4,154	4,056	98	2.4%
Current Liabilities Payable from Restricted Assets	11,097	14,621	(3,524)	-24.1%
Long Term Liabilities	209,872	198,524	11,348	5.7%
Total Liabilities	<u>225,123</u>	<u>217,201</u>	<u>7,922</u>	3.6%
Deferred Inflows of Resources	<u>227,440</u>	<u>222,035</u>	<u>5,405</u>	2.4%
Net Investment in Capital Assets	38,900	39,843	(943)	-2.4%
Restricted Net Position	6,826	6,013	813	13.5%
Unrestricted Net Position	<u>(15,815)</u>	<u>(17,074)</u>	<u>1,259</u>	-7.4%
Total Net Position	<u>\$ 29,911</u>	<u>\$ 28,782</u>	<u>\$ 1,129</u>	3.9%

The increase in current assets-unrestricted is primarily the result of an increase in due from restricted for closure/post closure project.

The increase in current assets-restricted is due to an increase in investments.

The increase in noncurrent assets is due to increases in lease receivable, including lease receivable of the blended component unit.

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

The increase in current liabilities payable from unrestricted assets is primarily due to increases in customer and security deposits, accrued liabilities-pension, and unearned grant revenue.

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

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

The increase in deferred inflows of resources is due to increases in deferred amounts relating to leases.

Table 2  
**Statement of Revenues, Expenses and Changes in Net Position**  
(Dollars in Thousands)

	2023	(Restated) 2022	2023-2022	
			Increase/(Decrease) \$	%
<b>Operating Revenue:</b>				
Landfill Tipping Fees	\$ 17,212	\$ 15,099	\$ 2,113	14.0%
Lease/Rental Income	10,313	9,947	366	3.7%
Interest Income on Leases	400	397	3	0.8%
Project Management Fee	983	1,038	(55)	-5.3%
Renewable Energy Revenue	310	545	(235)	-43.1%
Recycle Revenue	945	1,043	(98)	-9.4%
Operating Grants	462	847	(385)	-45.5%
Admin/Bond Trans Fee/RE Trans	8	2	6	300.0%
Project Income - Fleet Maintenance	245	176	69	39.2%
Property Management Fee	1,065	1,065	-	0.0%
Other Operating Income	839	1,324	(485)	-36.6%
Total Operating Revenue	<u>32,782</u>	<u>31,483</u>	<u>1,299</u>	4.1%
<b>Operating Expenses:</b>				
Cost of Providing Services	15,072	14,535	537	3.7%
Administrative and General	4,333	4,231	102	2.4%
Closure and Postclosure Costs	989	1,081	(92)	-8.5%
Depreciation	9,859	9,802	57	0.6%
Total Operating Expenses	<u>30,253</u>	<u>29,649</u>	<u>604</u>	2.0%
<b>Operating Income (Loss)</b>	<b>2,529</b>	<b>1,834</b>	<b>695</b>	<b>37.9%</b>
<b>Non Operating Revenue (Expenses):</b>				
Interest Income	3,596	1,025	2,571	250.8%
Interest Expense	(5,606)	(5,683)	77	-1.4%
Net Increase (Decrease) in Fair Value of Investments	756	(2,541)	3,297	-129.8%
Abandoned Projects	-	(818)	818	-100.0%
Appropriated to County	(775)	(745)	(30)	4.0%
Premium Paid - Payment of Debt	-	(665)	665	-100.0%
Debt Issue Costs Incurred	(233)	(65)	(168)	258.5%
Gain/Loss on Disposal of Assets	(1,149)	1,491	(2,640)	-177.1%
P.I.L.O.T. Program-Municipal	-	(9)	9	-100.0%
Other Non-Operating Income	854	809	45	5.6%
Total Non-Operating Revenue (Expenses)	<u>(2,557)</u>	<u>(7,201)</u>	<u>4,644</u>	-64.5%
Income (Loss) Before Capital Contributions and Special Items	(28)	(5,367)	5,339	-99.5%
Capital Contributions	-	36	(36)	-100.0%
Special Item	1,157	-	-	-
Change in Net Position	<u>1,129</u>	<u>(5,331)</u>	<u>6,460</u>	-121.2%
Net Position-Beginning (As Originally Reported)	28,782	35,297	(6,515)	-18.5%
Prior Period Adjustment	-	(1,184)	1,184	-
Net Position-Beginning (As Restated)	<u>28,782</u>	<u>34,113</u>	<u>(5,331)</u>	-15.6%
Total Net Position-Ending	<u>\$ 29,911</u>	<u>\$ 28,782</u>	<u>\$ 1,129</u>	3.9%

Total operating revenue increased \$1.3 million or 4.1% year-over-year. Revenue increases included landfill tipping fees of 14%, lease/rental income of 3.7%, interest income on leases 0.8%, administrative/bond transaction fee 300%, and project income – fleet maintenance 39.2%. Revenue decreases included project management fee 5.3%, renewable energy gas revenue 43.1%, recycle revenue 9.4%, operating grants 45.5%, and other operating income 36.6%.

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 \$19.4 million, an increase of \$0.6 million or 3.4% which were primarily the result of increases in disposal fees, treatment operations, and building services. Closure/postclosure costs and depreciation expense totaled \$10.8 million, a decrease of \$0.03 million or 0.3%. The change was primarily due to a decrease in Closure/postclosure expense of 8.5% netted against an increase of 0.6% related to depreciation expense. These costs are not controlled by the Authority.

The Authority’s ending net position increased \$1.1 million or 3.9% primarily as the result of blending the MURAIC’s net position as a special item on the Authority's statement.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of December 2023, the Authority had \$144.9 million invested in a broad range of capital assets. This amount represents a decrease of \$0.2 million or 0.2% 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, 2023.

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

	2023 *	2022 (Restated)	2023-2022 Increase/(Decrease)	
			\$	%
Land	\$ 5,471	\$ 4,881	\$ 590	12.1%
Construction in Progress	20,240	20,249	(9)	0.0%
Building and Related Improvements	76,281	75,489	792	1.0%
Improvements Other than Buildings	38,923	39,494	(571)	-1.4%
Machinery and Equipment	4,006	5,108	(1,102)	-21.6%
Office Equipment	70	59	11	18.6%
<b>Total</b>	<b>\$ 144,991</b>	<b>\$ 145,280</b>	<b>\$ (289)</b>	<b>-0.2%</b>

\* Include Blended Component Unit

Investment in capital assets during 2023 consisted primarily of construction in progress and other improvements to Authority facilities.

The Authority’s Solid Waste and Other Operations FY 2024 capital budgets plan for investing \$39.1 million in capital projects, including the following (in thousands):

<b>2024</b>	<b>Solid Waste</b>	<b>Other</b>	<b>Total</b>
Landfill Heavy Support Equipment	\$ 1,210	\$ -	\$ 1,210
Budgeted Construction Projects	50	14	64
Closure/Post Closure	79	-	79
Building Improvements	90	100	190
Improvements Other	75	-	75
Office Furniture and Equipment	25	-	25
Machinery and Equipment	60	-	60
Solid Waste Construction Projects	1,300	-	1,300
Economic Development Construction Projects	-	36,150	36,150
<b>TOTAL</b>	<b>\$ 2,889</b>	<b>\$ 36,264</b>	<b>\$ 39,153</b>

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, 2023, the Authority had outstanding bond issues in the amount of \$150.1 million with principal payments of \$5.9 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 \$16.6 million with principal payments of \$1.5 million due in one year. (See Note 4 to the financial statements).

- Lease Revenue Bonds issued in the amount of \$6.3 million principal for the State Police Barracks Project with a thirty-year fixed interest rate of 5% and maturities extending to 2053.
- The Authority also issued indebtedness in the amount of \$5.2 million in connection with the financing involving the New Jersey Infrastructure Bank to finance a solid waste project (the “Series 2023A NJIB Bonds” and the “Series 2023B NJIB Bonds”). Interest rates on both range from 0% to 5.0% with maturities extending to 2043 respectively.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

Tipping fee revenue is projected to increase slightly in 2024 by 2.1% and overall tonnage expects to increase by 0.9%. Recycling revenue is projected to increase 31.1%, this increase is primarily the result of the Recycling Facility operator installing an advanced artificial intelligence (“AI”) system with a >95% purity rate for sorted material. The processing speed and accuracy of the new AI system creates more attractive marketable materials for the Recycling Operator. Economic Development expectations include reduced project management revenue due to delays in construction and a decrease in Fuel and Fleet Revenue from a reduction in service contracts. Revenue increases are expected in other operating income due to new shared service and property management contracts, for a total anticipated revenue decrease of 11.7%. Expenses are projected to decrease 10.2% due to the sale of a property and a reduction in administrative expenses.

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

Although reduced, Economic Development is expected to show a net excess for the year. In developing the 2025 budget, the Authority proposes to increase tipping fee rates to offset tax increases, fund landfill closure and post closure liabilities and offset overall operations. The Authority continues to strategically implement incremental increases over time to minimize the immediate impact on its customers and governmental partners' budgets.

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](mailto:info@theauthoritynj.com).



# **BASIC FINANCIAL STATEMENTS**

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY**  
**STATEMENTS OF NET POSITION**  
**DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022 (Restated)</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS - UNRESTRICTED:</b>		
Cash	\$ 1,109,389	\$ 947,603
Investments		500,000
Accounts Receivable	1,536,819	1,810,294
Loans Receivable	314,174	202,349
Interest Receivable - Loans	34,436	9,233
Grant Funds Receivable	194,447	192,435
Other Receivables	920,546	1,175,540
Lease Receivables	10,325,712	9,577,065
Due from NJ IBank		877,604
Due from Restricted Assets	2,109,196	92,811
Inventories	439,958	291,127
Prepaid Expenses	112,594	92,243
	<b>17,097,271</b>	<b>15,768,304</b>
<b>CURRENT ASSETS - RESTRICTED:</b>		
Accounts Required by the Authority's Bond Resolutions/Loan Agreements:		
Cash	70,478,429	68,528,343
Investments	7,961,691	1,679,266
Other Restricted Accounts:		
Cash	826,429	977,120
Investments	2,131,299	718,420
Interest Receivable	132,431	115,200
	<b>81,530,279</b>	<b>72,018,349</b>
<b>NONCURRENT ASSETS:</b>		
Investments - Accounts Required by Bond Resolutions	3,085,529	3,236,940
Investments - Other Restricted Accounts	16,583,793	16,201,748
Investment in Redevelopment Sites	2,000,000	2,000,000
Lease Receivables - Noncurrent	202,374,746	197,001,916
Loans Receivable - Noncurrent	12,135,387	12,299,561
Prepaid Bond Insurance	289,088	298,982
Capital Assets, Net	144,991,413	145,280,420
	<b>381,459,956</b>	<b>376,319,567</b>
<b>TOTAL ASSETS</b>	<b>480,087,506</b>	<b>464,106,220</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred Loss on Defeasance of Debt	28,691	62,073
Deferred Amount Relating to Pensions	1,477,979	2,898,717
Deferred Amount Relating to OPEB	880,577	951,238
	<b>2,387,247</b>	<b>3,912,028</b>

(Continued)

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

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022 (Restated)</b>
<b>CURRENT LIABILITIES PAYABLE FROM UNRESTRICTED ASSETS:</b>		
Accounts Payable - Operations	\$ 1,420,319	\$ 1,431,507
Other Payables	1,063,870	1,038,507
Accrued Liabilities	139,899	144,290
Accrued Liabilities - Pension	707,677	691,778
Customer Deposits	170,100	154,400
Security Deposits	33,373	
Landfill Taxes Payable	167,843	177,517
Host Community Benefit Payable	46,095	50,167
Unearned Revenue	228,601	245,714
Unearned Grant Revenue	176,060	121,823
	<b>4,153,837</b>	<b>4,055,703</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:</b>		
Loans Payable	1,523,612	6,355,199
Contracts Payable - Construction	66,505	1,139,821
Contracts Payable - Retainage		138,905
Arbitrage Rebate Liability	254,180	
Revenue Bonds Payable	5,997,907	5,682,908
Accrued Interest Payable - Revenue Bonds and Loans	1,145,890	1,211,003
Due to Unrestricted Assets	2,109,196	92,811
	<b>11,097,290</b>	<b>14,620,647</b>
<b>LONG-TERM LIABILITIES:</b>		
Revenue Bonds Payable	144,155,443	138,028,621
Loan Payable	15,112,008	10,576,245
Accrued Closure and Postclosure Care Costs	38,086,066	37,097,166
Accrued Liability Pension	353,839	345,889
Net Pension Liability	7,669,312	8,278,725
Net OPEB Liability	4,280,288	4,001,886
Accrued Compensated Absences	214,892	195,677
	<b>209,871,848</b>	<b>198,524,209</b>
<b>Total Liabilities</b>	<b>225,122,975</b>	<b>217,200,559</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred Amount Relating to Pensions	1,023,340	1,653,462
Deferred Amount Relating to OPEB	638,876	625,910
Deferred Amount Relating to Arts & Innovation Project	3,784,375	3,784,375
Deferred Amount Relating to Leases	221,993,588	215,971,524
	<b>227,440,179</b>	<b>222,035,271</b>
<b>NET POSITION:</b>		
Net Investment in Capital Assets	38,900,127	39,843,122
Restricted:		
Operations	2,171,340	2,082,700
Debt Service	2,350,944	2,238,222
Equipment Renewal and Replacement	2,303,775	1,692,233
Unrestricted (Deficit)	(15,814,587)	(17,073,859)
<b>Total Net Position</b>	<b>\$ 29,911,599</b>	<b>\$ 28,782,418</b>

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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>OPERATING REVENUE:</b>		
Landfill Tipping Fees	\$ 17,212,165	\$ 15,099,094
Lease/Rental Income	10,313,270	9,946,852
Interest Income on Leases	400,282	397,413
Project Management Fee	982,771	1,037,911
Renewable Energy Revenue	309,566	544,929
Recycle Revenue	945,384	1,042,875
Operating Grants	461,695	846,477
Project Income - Fleet Maintenance	244,877	176,003
Administrative/ Bond Transaction Fee/ Real Estate Trans.	7,875	2,488
Property Management Fee	1,065,129	1,065,473
Other Operating Income	839,173	1,323,866
<b>Total Operating Revenue</b>	<u>32,782,187</u>	<u>31,483,381</u>
<b>OPERATING EXPENSES:</b>		
Cost of Providing Services	15,071,771	14,534,571
Administrative and General	4,333,608	4,231,080
Closure and Postclosure Costs	988,900	1,081,037
Depreciation	9,858,980	9,802,070
<b>Total Operating Expenses</b>	<u>30,253,259</u>	<u>29,648,758</u>
<b>OPERATING INCOME</b>	<u>2,528,928</u>	<u>1,834,623</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>		
Interest Income	3,596,283	1,024,644
Interest Expense	(5,606,595)	(5,683,544)
Net Increase (Decrease) in Fair Value of Investments	756,133	(2,540,881)
Abandoned Projects		(818,007)
Appropriated to County	(774,866)	(744,605)
Premium Paid - Prepayment of Debt		(665,000)
Debt Issue Costs Incurred	(233,543)	(65,219)
Gain Disposal of Assets	(1,148,991)	1,491,396
PILOT Program - Municipal		(9,334)
Other Non-Operating Income	854,394	809,073
<b>Total Non-Operating Revenue (Expenses)</b>	<u>(2,557,185)</u>	<u>(7,201,477)</u>
<b>LOSS BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEM</b>	<u>(28,257)</u>	<u>(5,366,854)</u>
<b>CAPITAL CONTRIBUTIONS</b>		36,141
<b>SPECIAL ITEM</b>	<u>1,157,438</u>	
<b>CHANGE IN NET POSITION</b>	<u>1,129,181</u>	<u>(5,330,713)</u>
<b>NET POSITION-BEGINNING, AS REPORTED</b>	28,782,418	35,297,486
<b>PRIOR PERIOD ADJUSTMENTS</b>		<u>(1,184,355)</u>
<b>NET POSITION-BEGINNING, AS RESTATED</b>	<u>28,782,418</u>	<u>34,113,131</u>
<b>TOTAL NET POSITION-ENDING</b>	<u>\$ 29,911,599</u>	<u>\$ 28,782,418</u>

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, 2023 AND 2022**

	<u>2023</u>	<u>(Restated) 2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers and Users	\$ 32,166,149	\$ 29,659,229
Cash Payments to Suppliers for Goods and Services	(12,172,346)	(16,814,552)
Cash Payments for Employee Services	(7,071,086)	(5,382,138)
Other Operating Receipts and Payments	<u>1,129,279</u>	<u>1,228,859</u>
<b>Net Cash Provided by Operating Activities</b>	<u>14,051,996</u>	<u>8,691,398</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Appropriated to County	(774,866)	(744,605)
Loans/Lease Receivable	27,146	(729,976)
Other Non-Operating Revenue and Expenses	<u>854,394</u>	<u>809,073</u>
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>106,674</u>	<u>(674,842)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(6,139,105)	(9,716,253)
Proceeds from Sale of Capital Assets	400,938	10,578,473
Proceeds from Loan/Lease Issues	1,275,000	4,205,410
Proceeds from Bond Issue	6,474,469	1,990,000
Premiums Received on the Issuance of Debt	753,342	
Proceeds from NJIB Interim Financing	877,604	
Principal Paid on Bonds/Loans	(6,955,093)	(13,929,617)
Premium Paid on Prepayment of Debt		(665,000)
Debt Issue Costs Paid	(233,543)	(65,219)
Interest Paid on Bonds	(5,814,526)	(5,693,763)
Capital Contributions		<u>36,141</u>
<b>Net Cash Used by Capital and Related Financing Activities</b>	<u>(9,360,914)</u>	<u>(13,259,828)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Investment Securities	(14,419,745)	(9,694,809)
Proceeds from Sale and Maturities of Investment Securities	7,749,938	4,547,816
Interest Received on Investments	<u>3,833,232</u>	<u>1,000,473</u>
<b>Net Cash Used by Investing Activities</b>	<u>(2,836,575)</u>	<u>(4,146,520)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,961,181	(9,389,792)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>70,453,066</u>	<u>79,842,858</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 72,414,247</u>	<u>\$ 70,453,066</u>

(Continued)

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, 2023 AND 2022**

	<u>2023</u>	<u>(Restated) 2022</u>
<b>CASH AND CASH EQUIVALENTS - STATEMENT OF NET POSITION:</b>		
Cash and Cash Equivalents - Unrestricted	\$ 1,109,389	\$ 947,603
Accounts Required by Authority's Bond Resolutions/Loan Agreements:		
Cash and Cash Equivalents	70,478,429	68,528,343
Cash and Cash Equivalents - Other Restricted Accounts	826,429	977,120
	<u>\$ 72,414,247</u>	<u>\$ 70,453,066</u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Income	\$ 2,528,928	\$ 1,834,623
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	9,858,980	9,802,070
Increase (Decrease) in Cash Resulting From Changes in:		
Customer Accounts Receivable	273,475	(220,788)
Other Receivables	254,994	(338,868)
Lease Receivables	(6,121,477)	3,720,686
Operating Grants Receivable	(2,012)	261,418
Inventories	(148,831)	(131,715)
Prepaid Expenses	(20,351)	19,628
Deferred Outflows Related to Pensions	1,420,738	858,749
Deferred Outflows Related to OPEB	70,661	70,661
Accounts Payable - Operations	(11,188)	(585,059)
Other Payables	25,363	(1,145,820)
Accrued Liabilities	(4,391)	(1,152,165)
Customer & Security Deposits	49,073	(180,084)
Landfill Taxes Payable	(9,674)	124,336
Host Community Benefit Payable	(242,311)	(249,038)
Unearned Revenue	(17,113)	(12,044)
Unearned Grant Revenue	54,237	(5,513)
License Agreement Escrow		(43,702)
Accrued Liabilities - Pension	23,849	32,395
Net OPEB Liability	278,402	(132,601)
Accrued Compensated Absences	19,215	(1,821)
Net Pension Liability	(609,413)	1,499,477
Accrued Closure and Postclosure Costs	988,900	1,081,037
Deferred Inflows Related to Pensions	(630,122)	(2,594,364)
Deferred Inflows Related to Leases	6,022,064	(3,820,100)
Total Adjustments	<u>11,523,068</u>	<u>6,856,775</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 14,051,996</u>	<u>\$ 8,691,398</u>

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

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**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 on 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**

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the financial statements to emphasize that it is legally separate from the government.

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

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial Reporting Entity (Continued)

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

Based upon the application of these criteria, the Authority is a component unit of the County of Cumberland. 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.

Based upon the application of these criteria, the Authority also has one blended component unit – Millville Urban Redevelopment Arts & Innovation Center Corporation (“MURAICC”). The MURAICC is organized and is operated exclusively for charitable and educational purposes as defined under Section 501(C)(3) of the Internal Revenue Code of 1986, as amended (the “code”) particularly to acquire, lease, develop, manage, sell and/or transfer real estate and to acquire loan and grant funding and tax credit financing from individuals, foundations, corporations and governments. During the year ended 2023, the Authority exercised its put option in relation to the “unwinding” of the New Markets Tax Credit (“NMTC”) structure for the Arts and Innovation Project. As a result, the Authority became the direct lender in the transaction, and became the 100% Owner of the NJCC CDE Middlesex, LLC. which was subsequently liquidated, with the MURAICC continuing to be the Borrower. The Authority also entered into a separate agreement to acquire 100% of the MURAICC. The financial statements of the MURAICC are reported in the Authority’s financial statements as a blended component unit.

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.



**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)

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 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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash, Cash Equivalents and Investments (Continued)

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.

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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Lease Receivable

Lease receivables recorded on the statements of net position represents a contract that conveys control of the right to use the Authority's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

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 report 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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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.

Leases – The net present value of lease payments expected to be received during the lease term are reported as deferred inflows of resources at the commencement of the lease term.

The Authority also reports the deferred amount relating to the Arts & Innovation Project 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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 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, 2023 and 2022 there were three and four Series of Conduit Bonds outstanding in the aggregate principal amount of \$71,455,000 and \$87,640,000 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.

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.

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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Net Position (Continued)

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 10, 2024, 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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Adoption of Accounting Pronouncements

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 adoption of this Statement had no material impact on the Authority's 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 underlying IT assets), as specified in the contract for a period of time in an exchange or exchange like transaction. The adoption of this Statement had no material impact on the Authority's financial statements.

Recent Accounting Pronouncements Not Yet Effective

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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Recent Accounting Pronouncements Not Yet Effective (Continued)

The requirements 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 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.

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.



**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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.

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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

Solid Waste System Revenue Bond Resolution (Continued)

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.

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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

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.

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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

2017 Lease Revenue Bonds Resolution (Continued)

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.

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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

2018 Lease Revenue Bonds Resolution (Continued)

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.

In accordance with the Authority's 2021 City General Obligation Lease Revenue Bonds – (Bridgeton Fire Station Project, Series 2021), the Authority has established the following cash and investment accounts for the deposit of all related revenue:

Acquisition Fund – Proceeds from the Series 2021 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 2021 Bonds representing costs of issuance and the initial Authority Financing Fee.

Debt Service – A portion of the proceeds of the Series 2021 Bonds representing Capitalized Interest shall be deposited into a Capitalized Interest Sub-Account of the Debt Service Fund. Revenues to pay each principal and interest installment to meet the Debt Service Requirement are also to be deposited into this account. Any moneys paid to the Authority pursuant to the City deficiency agreement shall be deposited in the Debt Service Fund and applied to the payment of principal and interest due on the bonds.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

In accordance with the Authority's 2023 County Guaranteed Revenue Bonds – (State Police Barracks Project, Series 2023), the Authority has established the following cash and investment accounts for the deposit of all related revenue:

Acquisition Fund – Proceeds from the Series 2023 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 2023 Bonds representing costs of issuance.

Debt Service – A portion of the proceeds of the Series 2023 Bonds representing Capitalized Interest shall be deposited into a Capitalized Interest Sub-Account of the Debt Service Fund. Revenues to pay each principal and interest installment to meet the Debt Service Requirement are also to be deposited into this account. 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.

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

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**COMPLIANCE WITH THE RATE COVENANT CONTAINED IN THE AUTHORITY'S  
SOLID WASTE BOND RESOLUTION (CONTINUED)**

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 2023 and 2022, 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 years 2023 and 2022, the Authority met the Debt Service Coverage Ratio Requirement contained in the Series 2017 Bond Agreement.

**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	\$ 2,171,340	\$ 1,958,950	\$ 1,956,800
Cash and Investments	413,844	2,005,506	2,021,383
Surplus (Deficit)	\$ (1,757,496) *	\$ 46,556	\$ 64,583

\* Deficit is the result of timing differences - additions were made to the Operating Fund in January 2024.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**AMOUNTS REQUIRED BY BOND RESOLUTIONS (CONTINUED)**

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	\$ 511,644	\$ 147,991
Cash and Investments	622,333	394,315
Surplus	<u>\$ 110,689</u>	<u>\$ 246,324</u>

**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, 2023, the Authority has recorded a rebate liability in the amount of \$254,180.

**NOTE 3 DETAIL NOTES - ASSETS**

**CASH AND CASH EQUIVALENTS**

At December 31, 2023 the carrying amount and bank balance of the Authority's time and demand deposits were \$1,230,357 and \$2,169,724, respectively. 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. All of the time and demand deposits were covered by either federal deposit insurance or by the Governmental Unit Deposit Protection Act (GUDPA).

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, 2023, \$286,759 of the Authority's bank balance of \$2,169,724 was insured and \$1,882,965 was uninsured and collateralized. As of December 31, 2022, \$250,175 of the Authority's bank balance of \$1,983,308 was insured and \$1,733,133 was uninsured and collateralized.

In addition to the bank deposits described above, as of December 31, 2023 and 2022, the Authority had \$59,903,293 and \$58,369,575 respectively, invested in government money market funds which are not covered by federal deposit insurance or by GUDPA, but which



**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)**

**CASH AND CASH EQUIVALENTS (CONTINUED)**

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, 2023 and 2022 the Authority had \$11,280,597 and \$10,942,400 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.

**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 (\$29,762,313 at December 31, 2023 and \$22,336,374 at December 31, 2022) 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.

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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)**

**INVESTMENTS (CONTINUED)**

As of December 31, 2023, the Authority had the following investments and maturities which are measured using Level 1 inputs.

	Quality/Rating	Total Fair Value		
	Treasury/Agency	\$	27,354,694	
	AA2		215,132	
	A2		619,680	
	Other		1,572,807	
	Total Investments	\$	29,762,313	
Investment Maturities (in Years)				
	Less than 1	1-5	6-10	Greater than 10
Total	\$	\$	\$	\$
29,762,313	10,092,989	14,510,039	4,119,458	1,039,827

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

**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, 2023 and the investment in the amount of \$2,000,000 as of December 31, 2023 and 2022, is reported in the Statement of Net Position.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)**

**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, 2022	Earned/ Expended 2023	Received 2023	Canceled 2023	Receivable (Unearned Revenue) Dec. 31, 2023
NJDEP:					
Recycling Grants:					
REA Tax Entitlement Grant					
2021	\$ 149,859	\$ 12,141	\$ 162,000	\$ -	\$ -
2022		161,030			161,030
Clean Communities (Passed through the County of Cumberland)					
2023		213,001	213,001		-
Southern NJ Regional Wellness Grant		5,200	5,200		-
Community Foundation (Heart & Soul)	(22,656)			(22,656)	-
FEMA Grant	13,427	9,276	22,703		-
Opportunity Zone Grant	25,000				25,000
NJEDA Grant - Atlantic St	4,149	4,269			8,418
NJEDA Grant - BDT Project	(99,168)	2,800			(96,368)
NJEDA Grant - Arts & Innovation		53,988	133,680		(79,692)
	<u>\$ 70,611</u>	<u>\$ 461,705</u>	<u>\$ 536,584</u>	<u>\$ (22,656)</u>	<u>\$ 18,388</u>

**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 and interest 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, 2023 and 2022 is \$157,835 and \$210,185 respectively. The current portion of the receivable at December 31, 2023 is \$52,481.

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).

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)**

**LOANS RECEIVABLE (CONTINUED)**

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 at an interest rate of 1.0175%. 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 loan receivable as of December 31, 2023 and 2022 is \$4,784,375. The current portion of the receivable at December 31, 2023 is \$111,693.

In May of 2023, in connection with the "unwinding" of the NMTC structure, the Authority exercised its put option and became the 100% Owner of the NJCC CDE Middlesex, LLC. which was subsequently liquidated, with the MURAICC continuing to be the Borrower. The Authority also entered into a separate agreement to acquire 100% of the MURAICC. The financial statements of the MURAICC are reported in the Authority's financial statements as a blended component unit. The \$4,784,375 loan is now due to the Authority from the MURAICC.

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 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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)**

**LOANS RECEIVABLE (CONTINUED)**

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, 2023 and 2022 is \$7,357,350, all of which is non-current.

In May 2022, the Authority authorized a loan in the amount of \$150,000 to the Holly City Development Corporation to provide gap financing approved by the New Jersey Department of Community Affairs to complete the implementation of the Neighborhood Revitalization Program and Initiatives in downtown Millville. The loan bears interest at a rate of 1.00% per annum, payable in a lump sum at the end of the term, which was originally set at twelve (12) months. The Authority subsequently approved a thirteen (13) month extension of the due date to June of 2024. The balance at December 31, 2023 and 2022 is \$150,000. The current portion of the receivable at December 31, 2023 is \$150,000.

**LEASE RECEIVABLES AND DEFERRED INFLOWS – LEASES**

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

Lessee	Number of Leases	Lease Term
County of Cumberland	5	(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 with (2) 5-year extensions
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	4	(2) Leases are for 10 years; (1) Lease is for 15 years (1) Lease is for 3 years
Vineland Board of Education	1	5 Years
Cumberland Cty Voc Education	1	15 Years
City of Bridgeton	1	30 Years
Rowan College of South Jersey	1	30 Years

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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 2023 and 2022 were \$10,292,658 and \$9,920,333 respectively and the Interest portion of Lease payments received in 2023 and 2022 was \$400,282 and \$397,413 respectively.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)**

**LEASE RECEIVABLES AND DEFERRED INFLOWS – LEASES (CONTINUED)**

The following is a summary of changes in lease receivables for the years ended December 31, 2023 and 2022.

	Balance Jan. 1, 2023	2023 Leases	2023 Cancellations	2023 Reductions	Balance Dec. 31, 2023	Amounts Due Within One Year
Lease Receivables	\$ 206,578,981	\$ 19,446,265	\$ (3,131,544)	\$ (10,193,244)	\$ 212,700,458	\$ 10,325,712

	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

The annual lease payments to be received by the Authority, including principal and interest, as of December 31, 2023 are as follows:

Year Ending December 31,	Future Lease Payments		
	Principal	Interest	Total
2024	\$ 10,325,712	\$ 407,693	\$ 10,733,405
2025	10,263,324	403,923	10,667,247
2026	9,413,390	385,643	9,799,033
2027	9,453,949	386,703	9,840,652
2028	9,471,499	387,188	9,858,687
2029-2033	48,130,989	1,966,758	50,097,747
2034-2038	36,082,295	1,526,529	37,608,824
2039-2043	25,334,985	1,092,684	26,427,669
2044-Thereafter	54,224,315	2,460,429	56,684,744
	<u>\$ 212,700,458</u>	<u>\$ 9,017,550</u>	<u>\$ 221,718,008</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)**

**PROPERTY, PLANT AND EQUIPMENT**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance Jan. 1, 2023	Additions	Adjustments	Reductions	Balance Dec. 31, 2023
Non-Depreciable Capital Assets:					
Land	\$ 4,881,176	\$ -	\$ 600,000	\$ 10,000	\$ 5,471,176
Construction In Progress	20,249,485	3,946,016		3,955,929	20,239,572
<b>Total Non-Depreciable Capital Assets</b>	<b>25,130,661</b>	<b>3,946,016</b>	<b>600,000</b>	<b>3,965,929</b>	<b>25,710,748</b>
Depreciable Capital Assets:					
Building and Related Improvements	112,404,585	1,489,470	6,756,314	2,527,884	118,122,485
Improvements Other than Buildings	93,711,285	3,141,238			96,852,523
Machinery And Equipment	19,853,492	346,848		497	20,199,843
Office Equipment	633,220	20,300	11,927		665,447
<b>Total Depreciable Capital Assets</b>	<b>226,602,582</b>	<b>4,997,856</b>	<b>6,768,241</b>	<b>2,528,381</b>	<b>235,840,298</b>
Less Accumulated Depreciation:					
Building and Related Improvements	36,915,596	4,684,416	1,037,194	795,682	41,841,524
Improvements Other than Buildings	54,217,408	3,711,565			57,928,973
Machinery And Equipment	14,745,519	1,449,136		497	16,194,158
Office Equipment	574,300	13,863	6,815		594,978
<b>Less Accumulated Depreciation</b>	<b>106,452,823</b>	<b>9,858,980</b>	<b>1,044,009</b>	<b>796,179</b>	<b>116,559,633</b>
<b>Net Depreciable Capital Assets</b>	<b>120,149,759</b>	<b>(4,861,124)</b>	<b>5,724,232</b>	<b>1,732,202</b>	<b>119,280,665</b>
<b>Total Capital Assets, Net</b>	<b>\$145,280,420</b>	<b>\$ (915,108)</b>	<b>\$6,324,232</b>	<b>\$5,698,131</b>	<b>\$144,991,413</b>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)**

**PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

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

	Restated Balance Jan. 1, 2022	Additions	Reductions	Balance Dec. 31, 2022
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 6,902,074	\$ 793,158	\$ 2,814,056	\$ 4,881,176
Construction In Progress	21,218,767	8,688,739	9,658,021	20,249,485
<b>Total Non-Depreciable Capital Assets</b>	<b>28,120,841</b>	<b>9,481,897</b>	<b>12,472,077</b>	<b>25,130,661</b>
<b>Depreciable Capital Assets:</b>				
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
<b>Total Depreciable Capital Assets</b>	<b>224,642,713</b>	<b>10,893,000</b>	<b>8,933,131</b>	<b>226,602,582</b>
<b>Less Accumulated Depreciation:</b>				
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
<b>Less Accumulated Depreciation</b>	<b>99,236,511</b>	<b>9,802,070</b>	<b>2,585,758</b>	<b>106,452,823</b>
<b>Net Depreciable Capital Assets</b>	<b>125,406,202</b>	<b>1,090,930</b>	<b>6,347,373</b>	<b>120,149,759</b>
<b>Total Capital Assets, Net</b>	<b>\$153,527,043</b>	<b>\$10,572,827</b>	<b>\$18,819,450</b>	<b>\$145,280,420</b>

Depreciation expense for the years ended December 31, 2023 and 2022 was charged to:

	2023	2022
Solid Waste Operations	\$ 5,100,443	\$ 5,190,682
Other Operations	4,758,537	4,611,388
	<b>\$ 9,858,980</b>	<b>\$ 9,802,070</b>



**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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, 2023 consists of serial and term bonds that mature in various amounts ranging from \$1,780,000 in 2024 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, 2023 and 2022 is \$5,570,000 and \$7,260,000 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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)**

**LONG-TERM LIABILITIES (CONTINUED)**

Bonds Payable (Continued)

The outstanding balance of the Series 2014 Bonds at December 31, 2023 consists of serial and term bonds that mature in various amounts ranging from \$640,000 in 2024 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, 2023 and 2022 is \$13,555,000 and \$14,165,000, 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 through 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, 2023 consists of serial bonds that mature in various amounts ranging from \$265,000 in 2024 to \$395,000 in 2030 with an interest rate of 3.690%. The outstanding balance of the Series 2015 Bonds at December 31, 2023 and 2022 is \$2,415,000 and \$2,675,000, 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, 2023 consists of serial maturities ranging from \$120,000 in 2023 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, 2023 and 2022, \$1,910,000 and \$2,020,000 principal amount of the Series 2017A NJEIT Bonds remained outstanding, respectively and \$5,055,797 and \$5,444,705 principal amount of the Series 2017B NJEIT Bonds remained outstanding, respectively.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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 \$128,000 in 2024 to \$373,000 in 2042 with interest rates ranging from 4.375% to 6.950%. As of December 31, 2023 and 2022, the outstanding balance is \$4,375,000 and \$4,496,000 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 \$715,000 in 2024 to \$1,410,000 in 2042. As of December 31, 2023 and 2022, the outstanding balance is \$20,005,000 and \$20,685,000, 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 \$192,000 in 2024 to \$286,000 in 2033. As of December 31, 2023 and 2022, the outstanding balance is \$2,366,000 and \$2,549,000, 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 \$740,000 in 2024 to \$3,355,000 in 2058. As of December 31, 2023 and 2022, the outstanding balance is \$62,365,000 and \$63,070,000, respectively.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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 \$95,000 in 2024 to \$295,000 in 2049. As of December 31, 2023 and 2022, the outstanding balance is \$4,620,000 and \$4,710,000, 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 \$640,000 in 2024 to \$650,000 in 2025. As of December 31, 2023 and 2022, the outstanding balance is \$1,290,000 and \$1,925,000, respectively.

In December of 2021, the Authority issued its City General Obligation Lease Revenue Bonds, (Bridgeton Fire Station Project) Series 2021, in the initial aggregate principal amount of \$7,495,000 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 \$150,000 in 2024 to \$400,000 in 2051. As of December 31, 2023 and 2022, the outstanding balance is \$7,350,000 and \$7,495,000, respectively.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)**

**LONG-TERM LIABILITIES (CONTINUED)**

Bonds Payable (Continued)

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 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 2024 to \$965,000 in 2036. As of December 31, 2023 and 2022, the outstanding balance is \$1,855,000 and \$1,920,000, respectively.

In November of 2023, the Authority issued its County Guaranteed Revenue Bonds (State Police Barracks Project), Series 2023, in the initial aggregate principal amount of \$6,300,000 to provide funds which will be used to finance the costs of the planning, design and construction of a new approximately 13,307 square foot, state-of-the-art State Police Barracks facility to serve the New Jersey State Police (“New Facility”) to be located at Mauricetown Bypass Road in the Township of Commercial, including the completion of such other improvement and work and acquisition of equipment and materials as may be necessary, capitalized interest and any costs of issuance with respect to the financing. Lease revenues to be received from the State of New Jersey, Division of Property Management on behalf of the New Jersey State Police and the related lease receivables from this property are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 5.00%. Principal maturities range from \$100,000 in 2025 to \$395,000 in 2053. As of December 31, 2023, the outstanding balance is \$6,300,000.

In December of 2023, the Authority issued indebtedness in connection with a financing involving the New Jersey Environmental Infrastructure Trust to finance a solid waste project. The debt was issued in two separate parts. The Trust Portion was issued in the principal amount of \$2,927,005. The outstanding balance of the Trust Portion at December 31, 2023 consists of serial maturities ranging from \$100,000 in 2025 to \$211,300 in 2043 with interest rates ranging from 3.03% to 5.00%. The Fund Portion was issued in the principal amount of \$2,330,478 at zero interest with annual principal payments in the amount of \$78,999 in 2024 and \$118,499 from 2025 through 2043. As of December 31, 2023, \$2,927,005 and \$2,330,478 principal amount remained outstanding for the Trust Portion and Fund Portion, respectively.

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, 2023 and 2022, the outstanding balance is \$4,597,424 and \$4,689,698, respectively.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)**

**LONG-TERM LIABILITIES (CONTINUED)**

Loans/Notes Payable (Continued)

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, 2023 and 2022 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. The \$3,000,000 borrowing is for a 10-year term at 3.380% interest. Principal payments range from \$303,642 in 2024 to \$346,822 in 2028. The outstanding balance at December 31, 2023 and 2022 is \$1,624,369 and \$1,918,084, 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%. Final principal payment is due in October 2024 in the amount of \$41,680. The outstanding balance at December 31, 2023 and 2022 is \$41,680 and \$82,502, 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 year term bearing interest at a rate of 1.750%. Principal payments range from \$147,493 in 2024 to \$150,075 in 2025. The outstanding balance at December 31, 2023 and 2022 is \$297,568 and \$442,524, 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 \$235,617 in 2024 to \$246,016 in 2027. The outstanding balance at December 31, 2023 and 2022 is \$963,165 and \$1,195,413, 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 \$145,480 in 2024 to \$147,561 in 2025. The outstanding balance at December 31, 2023 and 2022 is \$293,041 and \$436,471, respectively.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)**

**LONG-TERM LIABILITIES (CONTINUED)**

Loans/Notes Payable (Continued)

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 \$333,442 in 2024 to \$370,649 in 2028. The outstanding balance at December 31, 2023 and 2022 is \$1,758,998 and \$2,083,737, respectively.

In February 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 was being reported as loans payable. In December 2023, the Authority converted the short-term financing to permanent financing upon completion of the project.

In December 2023, the Authority secured a loan from TD Bank, NA. in the amount of \$1,275,000 to fund the Leachate Equalization Inner Tank Replacement Project. The project completed with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 10 year term bearing interest at a rate of 4.910%. Principal payments range from \$109,116 in 2024 to \$155,726 in 2033. The outstanding balance at December 31, 2023 is \$1,275,000.

As described in Note 3 in connection with the “unwinding” of the NMTC structure, the Authority exercised its put option and became the 100% Owner of the NJCC CDE Middlesex, LLC. which was subsequently liquidated, with the MURAICC continuing to be the Borrower. The Authority also entered into a separate agreement to acquire 100% of the MURAICC. The financial statements of the MURAICC are reported in the Authority’s financial statements as a blended component unit. MURAICC owes the Authority a loan in the amount of \$4,784,375 as of December 31, 2023. The loan shall amortize on a basis of a fifty-two (52) year schedule from 2023-2036 at an interest rate of 1.0175%. From 2037 to 2056, the loan shall amortize on a basis of a twenty (20) year schedule at the same interest rate. The outstanding balance at December 31, 2023 is \$4,784,375 with the current maturity of \$111,693.

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 \$38,086,066 reported as accrued closure and postclosure care costs at December 31, 2023 represents the cumulative amount reported to date based on the use of approximately 67.32% of the estimated capacity of the landfill.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)**

**LONG-TERM LIABILITIES (CONTINUED)**

Accrued Closure and Postclosure Care Costs (Continued)

The Authority will recognize the remaining \$18,485,872 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 2023. 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, 2023, cash and investments of \$19,341,772 (\$20,729,744-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, 2022 to 2023, resulting in an expense for 2023 in the amount of \$988,900. Note the expense for 2022 was \$1,081,037.

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.



**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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, 2023:

Type of Debt:	Balance Jan. 1, 2023	Additions	Reductions	Balance Dec. 31, 2023	Amounts Due Within One Year
Revenue Bonds Payable:					
Solid Waste System					
Revenue Bonds:					
Series 2015A	\$ 7,260,000	\$ -	\$ 1,690,000	\$ 5,570,000	\$1,780,000
Series 2017	7,464,705		498,908	6,965,797	508,908
Series 2023		5,257,483		5,257,483	78,999
Lease/Other Revenue Bonds:					
Series 2015	2,675,000		260,000	2,415,000	265,000
Series 2014	14,165,000		610,000	13,555,000	640,000
Capital Bank Series 2017	4,496,000		121,000	4,375,000	128,000
Vld PD Series 2017	20,685,000		680,000	20,005,000	715,000
Capital Bank Series 2018	2,549,000		183,000	2,366,000	192,000
DOC Series 2018	63,070,000		705,000	62,365,000	740,000
Series 2019 County					
Guaranteed-Admin. Bldg.	4,710,000		90,000	4,620,000	95,000
Vineland Bd of Ed Series 2020	1,925,000		635,000	1,290,000	640,000
Bridgeton Fire Station Series 2021	7,495,000		145,000	7,350,000	150,000
Tech School Series 2022	1,920,000		65,000	1,855,000	65,000
State Police Barricks 2023		6,300,000		6,300,000	
Unamortized Debt Premium	5,296,824	753,340	186,094	5,864,070	
Total Revenue Bonds Payable	143,711,529	12,310,823	5,869,002	150,153,350	5,997,907
Loans Payable:					
CEZC	1,000,000			1,000,000	
Series 2017 Food					
Specialization Center	4,689,699		92,275	4,597,424	95,449
Equip. Loan-CNG Station	1,918,084		293,715	1,624,369	303,642
Equip. Loan-2019	82,502		40,822	41,680	41,680
Equip. Loan-2020 Food Spec.	1,195,413		232,248	963,165	235,617
Equip. Loan-2020 Solid Waste	878,995		288,386	590,609	292,973
Equip. Loan-2020 SIM	2,083,737		324,739	1,758,998	333,442
NJ IBank Short Term Const. Loan	5,083,014		5,083,014	-	
Equip. Loan-2023 Inner Tank		1,275,000		1,275,000	109,116
Arts & Innovation Loans		4,784,375		4,784,375	111,693
Total Loans Payable	16,931,444	6,059,375	6,355,199	16,635,620	1,523,612
Accrued Closure and Postclosure Care Costs	37,097,166	988,900		38,086,066	
Net Pension Liability	8,278,725		609,413	7,669,312	
Accrued Liability-Pensions	345,889	7,950		353,839	
Net OPEB Liability	4,001,886	278,402		4,280,288	
Accrued Comp Absences	195,677	19,215		214,892	
	<u>\$210,562,316</u>	<u>\$19,664,665</u>	<u>\$12,833,614</u>	<u>\$217,393,367</u>	<u>\$7,521,519</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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 Liability	4,134,487		132,601	4,001,886	
Accrued Comp Absences	197,498		1,821	195,677	
	<u>\$215,175,182</u>	<u>\$9,664,326</u>	<u>\$14,277,192</u>	<u>\$210,562,316</u>	<u>\$12,038,107</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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, 2023 are as follows:

Year Ending December 31,	Solid Waste Revenue Bonds		Lease Revenue Bonds		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,367,907	\$ 323,374	\$ 3,630,000	\$ 5,214,087	\$ 1,523,612	\$ 455,536
2025	2,592,406	269,262	3,882,000	5,107,634	6,872,223	330,583
2026	2,672,406	191,862	3,440,000	4,961,812	1,101,801	168,724
2027	747,406	153,762	3,590,000	4,812,144	1,131,908	138,617
2028	762,407	144,462	3,738,000	4,673,201	913,384	107,558
2029-2033	3,947,032	566,310	19,997,000	21,328,918	1,087,334	321,738
2034-2038	3,113,707	273,535	22,815,000	16,724,470	579,727	192,629
2039-2043	1,590,009	92,496	19,819,000	12,042,258	889,596	15,292
2044-2048	-	-	14,610,000	8,683,938	935,965	106,604
2049-2053	-	-	30,975,000	7,906,576	984,750	57,818
2054-2056	-	-	-	-	615,320	10,221
	17,793,280	<u>\$ 2,015,063</u>	126,496,000	<u>\$ 91,455,038</u>	16,635,620	<u>\$ 1,905,320</u>
Add:						
Unamortized Debt Premium	356,747		5,507,323			
	<u>\$ 18,150,027</u>		<u>\$ 132,003,323</u>		<u>\$ 16,635,620</u>	

**COMMITMENTS AND CONTINGENCIES**

As of December 31, 2023 and 2022 the Authority has entered into various commitments for construction related professional services and construction contracts in its Solid Waste Operation in the amount of \$1,155,623 and \$5,232,111, respectively. Costs incurred on those contracts to December 31, 2023 and 2022 totaled \$288,906 and \$5,080,836, 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, 2023 and 2022 the Authority has entered into various commitments for construction related professional services and construction contracts in its Other Operations in the amount of \$20,780,316 and \$20,698,279, respectively. Costs incurred on those contracts to December 31, 2023 and 2022 totaled \$19,622,105 and \$18,939,084, 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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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 Empower (formerly Prudential Financial) for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements 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 P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; 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, and disability 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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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. The number of employees participating in the DCRP for the years ended December 31, 2023, 2022 and 2021, were 8, 12 and 12, respectively. For the years ended December 31, 2023, 2022 and 2021, the Authority's contributions for covered employees were \$2,610, \$4,233 and \$4,297, 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 2023 and 2022, the State's pension contribution was more than the actuarial determined amount, while for fiscal year 2021, 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 2023 and 2022. Employee contributions were \$309,526, \$295,332 and \$299,638 for the years ended December 31, 2023, 2022, and 2021, respectively. The payroll subject to pension for the Authority's employees covered by PERS was \$4,072,074, \$3,865,336 and \$3,944,189 for the years ended December 31, 2023, 2022 and 2021, 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 \$707,677, \$691,778 and \$670,181 for the years ended December 31, 2023, 2022, and 2021, respectively, and is included in the accompanying financial statements. The percentage of employer's contribution rate as a percentage of covered payroll for 2023, 2022 and 2021 was 17.35%, 17.90% and 16.99%, respectively.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022, the Authority reported a liability of \$7,669,312 and \$8,278,725, respectively for its proportionate share of the net pension liability. The net pension liability at December 31, 2023 and 2022 were measured as of June 30, 2023 and 2022, respectively. The total pension liability used to calculate the net pension liability on June 30, 2023 and 2022 was determined by an actuarial valuation as of July 1, 2022 and 2021, respectively. At June 30, 2023, the Authority's proportion was 0.0529489388%, which was a decrease of 0.0019084487% from its proportion measured as of June 30, 2022. At June 30, 2022, the Authority's proportion was 0.0548573875%, which was a decrease of 0.0023684442% from its proportion measured as of June 30, 2021.

At December 31, 2023 and 2022, respectively, the Authority reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Measurement Date</u> <u>June 30, 2023</u>		<u>Measurement Date</u> <u>June 30, 2022</u>	
	<u>Deferred</u> <u>Outflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Outflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Differences between Expected and Actual Experience	\$ 73,329	\$ 31,350	\$ 59,752	\$ 52,693
Changes of Assumptions	16,848	464,794	25,650	1,239,654
Net Difference between Projected and Actual Earnings on Pension Plan Investments	35,318	-	342,649	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	998,645	527,195	2,124,777	361,115
Authority Contributions Subsequent to the Measurement Date	353,839	-	345,889	-
	<u>\$ 1,477,979</u>	<u>\$ 1,023,339</u>	<u>\$ 2,898,717</u>	<u>\$ 1,653,462</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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 \$353,839 and \$345,889 will be included as a reduction of the net pension liability in the year ending December 31, 2024 and 2023, respectively. This amount is based on an estimated April 1, 2024 and April 1, 2023 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,**

2024	\$ 110,119
2025	61,464
2026	(85,892)
2027	15,371
2028	(261)
	<hr/>
	\$ 100,801
	<hr/>



**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
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
June 30, 2023	5.08	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
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
June 30, 2023	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.00
June 30, 2020	-	5.00
June 30, 2021	-	5.00
June 30, 2022	5.00	-
June 30, 2023	5.00	-

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)**

**PENSIONS (CONTINUED)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2023 and 2022 measurement dates were determined by actuarial valuations as of July 1, 2022 and 2021, respectively, which were rolled forward to June 30, 2023 and 2022, respectively.

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
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, 2018 - June 30, 2021

For the June 30, 2023 and June 30, 2022 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022) 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, 2023 and 2022 are summarized in the table below:

<u>Asset Class</u>	<u>June 30, 2023</u>		<u>June 30, 2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%	27.00%	8.12%
Non-U.S. Developed Market Equity	12.75%	9.22%	13.50%	8.38%
International Small Cap Equity	1.25%	9.22%		
Emerging Market Equities	5.50%	11.13%	5.50%	10.33%
Private Equity	13.00%	12.50%	13.00%	11.80%
Real Estate	8.00%	8.58%	8.00%	11.19%
Real Assets	3.00%	8.40%	3.00%	7.60%
High Yield	4.50%	6.97%	4.00%	4.95%
Private Credit	8.00%	9.20%	8.00%	8.10%
Investment Grade Credit	7.00%	5.19%	7.00%	3.38%
Cash Equivalents	2.00%	3.31%	4.00%	1.75%
U.S. Treasuries	4.00%	3.31%	4.00%	1.75%
Risk Mitigation Strategies	3.00%	6.21%	3.00%	4.91%
	<u>100.00%</u>		<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% and 7.00% as of June 30, 2023 and 2022, 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 100% 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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022, 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:

	<b>June 30, 2023</b>		
	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
Authority's Proportionate Share of the Net Pension Liability	\$ 9,983,812	\$ 7,669,312	\$ 5,699,366
	<b>June 30, 2022</b>		
	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
Authority's Proportionate Share of the Net Pension Liability	\$ 10,635,737	\$ 8,278,725	\$ 6,272,813

**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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022, the following employees were covered by the benefit terms:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Retired Employees Receiving Benefits	1	1
Active Employees Eligible to Retire and Receive Benefits	0	0
Active Employees	<u>54</u>	<u>54</u>
Total Participants	<u><u>55</u></u>	<u><u>55</u></u>

**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, 2023, there was 1 active retiree with \$15,480 in current premiums paid. For the year ended December 31, 2022, there was 1 active retiree with \$14,826 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 \$4,280,288 as of December 31, 2023 was measured as of December 31, 2023. The liabilities were determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023 measurement date. 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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)**

**POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

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

Deferred outflows of resources related to OPEB in the amount of \$880,577 and deferred inflows of resources related to OPEB in the amount of \$638,876 at December 31, 2023 will be recognized in OPEB expense as follows:

<b>Year Ending</b>		
<b><u>Dec 31,</u></b>		
2024	\$	14,086
2025		14,086
2026		14,086
2027		14,086
2028		14,086
Thereafter		<u>171,271</u>
	<u>\$</u>	<u>241,701</u>

**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, 2023 and 2022 are as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Mortality Rate Table	PUB 2010	PUB 2010
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	3.26%	3.72%
CPI Increase	2.50%	2.50%
Salary Increase	2.50%	2.50%
Medical Trend	Medical: 5.1% in 2023, reducing by 0.2% per year, leveling at 4.5% in 2026 Drug: 6.0% in 2023, reducing by 0.5% per year, leveling at 4.5% in 2026 Medicare Advantage: 4.5% per year	5.3% in 2022, reducing by 0.2% per year, leveling at 4.5% in 2026
Prescription Trend	6.0% in 2023, reducing by 0.5% per year, leveling at 4.5% in 2026	6.5% in 2022, reducing by 0.5% per year, leveling at 4.5% in 2026

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

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Balance at Beginning of Year	\$ 4,001,886	\$ 4,134,487
Changes for the Year:		
Service Cost	\$ 207,136	\$ 207,136
Interest Cost	156,287	89,284
Difference Between Expected/Actual Experience		(286,549)
Change in Assumptions	(69,541)	(127,646)
Benefit Payments	(15,480)	(14,826)
Net Changes	<u>278,402</u>	<u>(132,601)</u>
Balance at End of Year	<u>\$ 4,280,288</u>	<u>\$ 4,001,886</u>

In the fiscal year ended December 31, 2023 and 2022, 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:

	<u>December 31, 2023</u>		
	<u>1% Decrease 2.26%</u>	<u>Current Discount Rate 3.26%</u>	<u>1% Increase 4.26%</u>
Total OPEB Liability	<u>\$ 4,949,692</u>	<u>\$ 4,280,288</u>	<u>\$ 3,747,100</u>
	<u>December 31, 2022</u>		
	<u>1% Decrease 2.72%</u>	<u>Current Discount Rate 3.72%</u>	<u>1% Increase 4.72%</u>
Total OPEB Liability	<u>\$ 4,528,600</u>	<u>\$ 4,001,886</u>	<u>\$ 3,603,710</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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:

	<b>December 31, 2023</b>		
	<b>1% Decrease</b>	<b>Health Care Cost Trend Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 3,798,625	\$ 4,280,288	\$ 4,835,830
	<b>December 31, 2022</b>		
	<b>1% Decrease</b>	<b>Health Care Cost Trend Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 3,656,812	\$ 4,001,886	\$ 4,413,566

**OPEB Expense**

For the year ended December 31, 2023 and 2022, the Authority recognized OPEB expense of \$377,509 and \$316,636, 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.

	2023	2022
<u>Solid Waste Operation:</u>		
Operations	\$ 2,171,340	\$ 2,082,700
Debt Service	1,780,000	1,690,000
Equipment Renewal and Replacement	2,303,775	1,692,233
	6,255,115	5,464,933
<u>Other Operations:</u>		
Debt Service	570,944	548,222
Total Restricted	\$ 6,826,059	\$ 6,013,155



**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022 consists of \$793,947 and \$774,866, respectively; which has been appropriated and included as anticipated revenue in the Authority's 2024 and 2023 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, 2023 and 2022 is \$496,388 and \$389,629, respectively.

Undesignated Net Position:

Solid Waste Operations

The balance of unrestricted and undesignated net position (deficit) as of December 31, 2023 and 2022 of \$(18,659,668) and \$(17,751,756), respectively, is comprised of the following:

	<u>2023</u>	<u>2022</u>
Amount Related to Pensions (GASB 68 and 71)	\$ (7,574,584)	\$ (7,438,143)
Amount Related to OPEB (GASB 75)	(3,086,199)	(2,839,827)
Undesignated before GASB 68, 71 Pension and GASB 75 OPEB Related Items	<u>(7,998,885)</u>	<u>(7,473,786)</u>
	<u>\$ (18,659,668)</u>	<u>\$ (17,751,756)</u>

Other Operations

The balance of unrestricted and undesignated net position (deficit) as of December 31, 2023 and 2022 of \$1,554,746 and \$(486,598), respectively, is comprised of the following:

	<u>2023</u>	<u>2022</u>
Amount Related to Pensions (GASB 68 and 71)	\$ (701,614)	\$ (633,004)
Amount Related to OPEB (GASB 75)	(952,388)	(836,731)
Undesignated before GASB 68, 71 Pension and GASB 75 OPEB Related Items	<u>3,208,748</u>	<u>983,137</u>
	<u>\$ 1,554,746</u>	<u>\$ (486,598)</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 7 INTEREST EXPENSE**

Interest expense consisted of the following:

	2023	2022
Interest on Bonds and Notes	\$ 5,759,307	\$ 5,850,568
Add: Amortization of Deferred Loss on Defeasance of Debt	33,382	46,129
Less: Amortization of Premium on Bonds	<u>(186,094)</u>	<u>(213,153)</u>
Net Interest Expense	<u>\$ 5,606,595</u>	<u>\$ 5,683,544</u>

**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, 2023, 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.

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 9 MAJOR CUSTOMERS - CONCENTRATION**

In 2023, approximately fifty-seven percent (57%) of the solid waste received by the Authority at its Solid Waste Complex was delivered by five (5) haulers. In 2022, the top five (5) haulers delivered approximately sixty-one percent (61%).

**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 SPECIAL ITEM**

As mentioned in the Financial Reporting Entity section of Note 1, the Authority exercised its put option in relation to the "unwinding" of the New Markets Tax Credit ("NMTC") structure for the Arts and Innovation Project. As a result, the Authority became the direct lender in the transaction, and became the 100% Owner of the NJCC CDE Middlesex, LLC., which was subsequently liquidated, with the MURAICC continuing to be the Borrower. The Authority also entered into a separate agreement to acquire 100% of the MURAICC. The deficit beginning net position of the MURAICC of \$808,187, netted with loan forgiveness income of \$1,965,625 reported by MURAICC is reported as a special item on the Authority's Statement of Revenues, Expenses and Changes in Net Position.

**NOTE 12 PRIOR PERIOD ADJUSTMENT**

During the year ended December 31, 2023, the Authority determined that capitalized interest costs and interest earned during construction were inadvertently misclassified in prior years. As a result, net position as of January 1, 2022 has been restated. The following table illustrates the restatement:

Net Position as Previously Reported, January 1, 2022	\$ 35,297,486
Prior Period Adjustment:	
Increase in Capital Assets, Net for Interest Earned During Construction	\$ 287,151
Decrease in Capital Assets, Net for Capitalized Interest	<u>(1,471,506)</u>
	<u>(1,184,355)</u>
Net Position as Restated, January 1, 2022	<u><u>\$ 34,113,131</u></u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 13 SUBSEQUENT EVENTS**

In August of 2024, the Authority adopted a resolution authorizing the issuance and sale of up to \$3,000,000 aggregate principal amount of the Authority’s City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project) Series 2024. The Series 2024 Bonds are to be issued to provide funds which will be used to pay for the undertaking and completing further capital improvements to the Facility on the Project Site, funding capitalized interest and any reserve funds, as may be necessary, and to finance the costs of issuance with respect to the proposed financing. No bonds have been issued pursuant to this Bond Resolution as of the date of this report.

**NOTE 14 CONDENSED COMPONENT UNIT INFORMATION**

Condensed component unit information for Millville Urban Redevelopment Arts & Innovation Center Corporation, the Authority’s blended component unit, for the year ended December 31, 2023, is as follows:

**Condensed Statement of Net Position**

Assets	
Cash	\$ 37,606
Lease Receivable	3,422,791
Capital Assets, Net	<u>6,149,289</u>
Total Assets	<u>9,609,686</u>
Liabilities	
Other Payable	383,858
Loans Payable	<u>4,784,375</u>
Total Liabilities	<u>5,168,233</u>
Deferred Inflows of Resources	
Deferred Amount Relating to Lease	<u>3,422,791</u>
Net Position	
Net Investment in Capital Assets	981,056
Unrestricted	<u>37,606</u>
Total Net Position	<u>\$ 1,018,662</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

**NOTE 14 CONDENSED COMPONENT UNIT INFORMATION (CONTINUED)**

**Condensed Statement of Revenues, Expenses, and  
Changes in Net Position**

Operating Revenues	
Lease Income	\$ 136,975
Interest Income on Leases	1,469
	<u>                    </u>
Total Operating Revenues	<u>138,444</u>
Operating Expenses	
Cost of Providing Services	30,000
Administrative and General	54,000
Depreciation	174,943
	<u>                    </u>
Total Operating Expenses	<u>258,943</u>
Operating Income (Loss)	<u>(120,499)</u>
Non-Operating Revenues (Expenses)	
Interest Income	5
Interest Expense	(18,282)
	<u>                    </u>
Total Non-Operating Revenues (Expenses)	<u>(18,277)</u>
Income / (Loss) Before Special Items	(138,776)
Special Item	<u>1,965,625</u>
Change in Net Position	1,826,849
Net Position - Beginning	<u>(808,187)</u>
Net Position - Ending	<u><u>\$ 1,018,662</u></u>

**Condensed Statement of Cash Flows**

Net Cash Provided (Used) by	
Operating Activities	\$ (87,882)
Non-capital Financing Activities	138,444
Capital and Related Financing Activities	(74,335)
Investing Activities	5
	<u>                    </u>
Net Decrease in Cash	(23,768)
Cash - Beginning	<u>61,374</u>
Cash - Ending	<u><u>\$ 37,606</u></u>

**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)**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's Proportion of the Net Pension Liability	0.0529489388%	0.0548573875%	0.0572258317%	0.0548037149%	0.0410251640%	0.0320508100%	0.0307909211%	0.0302375415%	0.0286952278%	0.0234671743%
Authority's Proportionate Share of the Net Pension Liability	\$ 7,669,312	\$ 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
Authority's Covered-Employee Payroll (Plan Measurement Year)	\$ 3,933,672	\$ 4,059,112	\$ 4,126,964	\$ 3,878,288	\$ 2,613,088	\$ 2,279,784	\$ 2,123,576	\$ 2,106,244	\$ 1,928,132	\$ 1,543,668
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	194.97%	203.95%	164.27%	230.44%	282.89%	276.81%	337.53%	425.19%	334.08%	284.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	79.18%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

**Schedule of Employer Contributions**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually Required Contribution	\$ 707,677	\$ 691,778	\$ 670,181	\$ 599,525	\$ 399,054	\$ 318,802	\$ 285,245	\$ 268,626	\$ 246,702	\$ 193,460
Contributions in Relation to the Contractually Required Contribution	(707,677)	(691,778)	(670,181)	(599,525)	(399,054)	(318,802)	(285,245)	(268,626)	(246,702)	(193,460)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered-Employee Payroll	\$ 4,072,074	\$ 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
Contributions as a Percentage of Authority's Covered-Employee Payroll	17.38%	17.90%	16.99%	15.00%	10.14%	11.26%	12.73%	12.73%	11.91%	10.11%

**Notes**

*Changes in Benefit Terms* - The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

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

<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
7.00%	7.00%	7.00%	7.00%	6.28%	5.66%	5.00%	3.98%	4.90%	5.39%

*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**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>						
Service Cost	\$ 207,136	\$ 207,136	\$ 426,648	\$ 426,648	\$ 243,295	\$ 243,295
Interest on Total OPEB Liability - Over Measurement Period	156,287	89,284	91,686	90,340	85,868	72,904
Benefit Payments	(15,480)	(14,826)	(5,857)			
Recognition of Experience Changes		(286,549)				
Recognition of Assumption Changes	(69,541)	(127,646)	(279,053)	513,654	690,213	
<b>Net Change on Total OPEB Liability</b>	278,402	(132,601)	233,424	1,030,642	1,019,376	316,199
<b>Total OPEB Liability - Beginning</b>	4,001,886	4,134,487	3,901,063	2,870,421	1,851,045	1,534,846
<b>Total OPEB Liability - Ending</b>	<u>\$ 4,280,288</u>	<u>\$ 4,001,886</u>	<u>\$ 4,134,487</u>	<u>\$ 3,901,063</u>	<u>\$ 2,870,421</u>	<u>\$ 1,851,045</u>
<b>Covered-Employee Payroll</b>	\$ 4,072,074	\$ 3,865,336	\$ 3,994,189	\$ 3,997,062	\$ 3,933,635	\$ 2,830,522
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	105.11%	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, 2023 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:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	3.26%	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**

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**NET INVESTMENT IN CAPITAL ASSETS, RESTRICTED AND UNRESTRICTED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	SOLID WASTE OPERATIONS						OTHER OPERATIONS			TOTAL		
	UNRESTRICTED			RESTRICTED			INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED		RESTRICTED	2023	Restated 2022 (MEMO)
	UNDESIGNATED	DESIGNATED	OPERATING RESERVE	RENEWAL AND REPLACEMENT	DEBT SERVICE	CLOSURE AND POST- CLOSURE		UNDESIGNATED	DESIGNATED	DEBT SERVICE		
<b>OPERATING REVENUE:</b>												
Landfill Tipping Fees	\$	\$ 17,212,165	\$	\$	\$	\$	\$	\$	\$	\$	\$ 17,212,165	\$ 15,099,094
Lease/Rental Income								10,313,270			10,313,270	9,946,852
Interest Income on Leases								400,282			400,282	397,413
Project Management Fee								982,771			982,771	1,037,911
Renewable Energy Revenue		309,566						309,566			309,566	544,929
Recycle Revenue		945,384						945,384			945,384	1,042,875
Operating Grants		395,740						65,955			461,695	846,477
Project Income - Fleet Maintenance								244,877			244,877	176,003
Administrative Fees/Bond Transaction Fees/Real Estate Transactions								7,875			7,875	2,488
Property Management Fee								1,065,129			1,065,129	1,065,473
Other		72,850						766,323			839,173	1,323,866
	-	18,935,705	-	-	-	-	-	13,846,482	-	-	32,782,187	31,483,381
<b>OPERATING EXPENSES:</b>												
Cost of Providing Services		10,547,956						4,523,815			15,071,771	14,534,571
Administrative and General		3,319,645						1,013,963			4,333,608	4,231,080
Closure and Postclosure Costs		988,900						988,900			988,900	1,081,037
Depreciation		5,100,443						4,758,537			9,858,980	9,802,070
	-	19,956,944	-	-	-	-	-	10,296,315	-	-	30,253,259	29,648,758
<b>OPERATING INCOME (LOSS)</b>	-	(1,021,239)	-	-	-	-	-	3,550,167	-	-	2,528,928	1,834,623
<b>NON-OPERATING REVENUE (EXPENSES):</b>												
Interest Income		9,765			97,370	414,636	408,116	2,569,777		96,619	3,596,283	1,024,644
Interest Expense		(283,047)						(5,323,548)			(5,606,595)	(5,683,544)
Other Non-Operating Income		71,060						783,334			854,394	809,073
PILOT Program-Municipal Abandoned Projects												(9,334)
Appropriated to County		(774,866)									(774,866)	(744,605)
Premium Paid - Prepayment of Debt												(665,000)
Debt Issue Costs Incurred		(68,704)						(164,839)			(233,543)	(65,219)
Gain on Disposal of Assets		775						(1,149,766)			(1,148,991)	1,491,396
Net Decrease in Fair Value of Investments		740,330						15,803			756,133	(2,540,881)
	-	(304,687)	-	-	97,370	414,636	408,116	(3,269,239)	-	96,619	(2,557,185)	(7,201,477)
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	-	(1,325,926)	-	-	97,370	414,636	408,116	-	280,928	-	96,619	(28,257)
<b>CONTRIBUTIONS AND TRANSFERS:</b>												
Capital Contributions												36,141
Special Item								1,157,438			1,157,438	
Other Transfers	(307,155)	418,014	19,081	88,640	514,172	(324,636)	(408,116)	602,978	106,759	(73,897)		
<b>INCREASE (DECREASE) IN NET POSITION</b>	(307,155)	(907,912)	19,081	88,640	611,542	90,000	-	(635,840)	2,041,344	106,759	22,722	1,129,181
<b>NET POSITION - JANUARY 1, AS REPORTED PRIOR PERIOD ADJUSTMENTS</b>	34,855,291	(17,751,756)	774,866	2,082,700	1,692,233	1,690,000	-	4,987,831	(486,598)	389,629	548,222	28,782,418
												35,297,486
												(1,184,355)
<b>NET POSITION - JANUARY 1, AS RESTATED</b>	34,855,291	(17,751,756)	774,866	2,082,700	1,692,233	1,690,000	-	4,987,831	(486,598)	389,629	548,222	28,782,418
												34,113,131
<b>NET POSITION - DECEMBER 31,</b>	<u>\$ 34,548,136</u>	<u>\$ (18,659,668)</u>	<u>\$ 793,947</u>	<u>\$ 2,171,340</u>	<u>\$ 2,303,775</u>	<u>\$ 1,780,000</u>	<u>\$ -</u>	<u>\$ 4,351,991</u>	<u>\$ 1,554,746</u>	<u>\$ 496,388</u>	<u>\$ 570,944</u>	<u>\$ 29,911,599</u>
												<u>\$ 28,782,418</u>
<b>UNRESTRICTED NET POSITION (DEFICIT) - UNDESIGNATED-</b>												
Related to Pensions (GASB 68, 71)	\$	(7,574,584)						\$	(701,614)			
Related to OPEB (GASB 75)		(3,086,199)							(952,386)			
Before GASB 68, 71 Pension and GASB 75 OPEB Related Items		(7,998,885)							3,208,746			
	<u>\$</u>	<u>(18,659,668)</u>						<u>\$</u>	<u>1,554,746</u>			

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY**  
**SCHEDULE OF NET POSITION**  
**DECEMBER 31, 2023 AND 2022**

	2023			2022 (Restated)		
	Solid Waste Operations	Other	Total	Solid Waste Operations	Other (Restated)	Total (Restated)
<b>ASSETS</b>						
<b>CURRENT ASSETS - UNRESTRICTED:</b>						
Cash	\$ 694,169	\$ 415,220	\$ 1,109,389	\$ 785,653	\$ 161,950	\$ 947,603
Investments				500,000		500,000
Accounts Receivable	1,173,550	363,269	1,536,819	1,056,208	754,086	1,810,294
Loans Receivable	52,481	261,693	314,174	52,349	150,000	202,349
Interest Receivable - Loans	197	34,239	34,436	263	8,970	9,233
Grant Funds Receivable	161,030	33,417	194,447	151,954	40,481	192,435
Other Receivables	9,519	911,027	920,546	7,094	1,168,446	1,175,540
Lease Receivables		10,325,712	10,325,712		9,577,065	9,577,065
Due from NJ IBank				877,604		877,604
Due from Restricted Assets	2,109,196		2,109,196	92,811		92,811
Inventories	265,936	174,022	439,958	142,611	148,516	291,127
Prepaid Expenses	29,053	83,541	112,594	52,834	39,409	92,243
<b>Total Current Assets - Unrestricted</b>	<b>4,495,131</b>	<b>12,602,140</b>	<b>17,097,271</b>	<b>3,719,381</b>	<b>12,048,923</b>	<b>15,768,304</b>
<b>CURRENT ASSETS - RESTRICTED:</b>						
Accounts Required by the Authority's Bond Resolutions/Loan Agreements:						
Cash	9,972,708	60,505,721	70,478,429	10,066,446	58,461,897	68,528,343
Investments	2,598,639	5,363,052	7,961,691	1,679,266		1,679,266
Other Restricted Accounts:						
Cash	437,341	389,088	826,429	439,468	537,652	977,120
Investments	2,131,299		2,131,299	718,420		718,420
Interest Receivable	132,431		132,431	115,200		115,200
Interfunds	4,130,947	(4,130,947)		3,131,229	(3,131,229)	
<b>Total Current Assets - Restricted</b>	<b>19,403,365</b>	<b>62,126,914</b>	<b>81,530,279</b>	<b>16,150,029</b>	<b>55,868,320</b>	<b>72,018,349</b>
<b>NONCURRENT ASSETS:</b>						
Investments - Accounts Required by Bond Resolutions	2,320,216	765,313	3,085,529	3,236,940		3,236,940
Investments - Other Restricted Accounts	16,583,793		16,583,793	16,201,748		16,201,748
Investment in Redevelopment Sites		2,000,000	2,000,000		2,000,000	2,000,000
Lease Receivables - Noncurrent		202,374,746	202,374,746		197,001,916	197,001,916
Loans Receivable - Noncurrent	105,355	12,030,032	12,135,387	157,836	12,141,725	12,299,561
Prepaid Bond Insurance	9,010	280,078	289,088	13,515	285,467	298,982
Capital Assets, Net	52,613,986	92,377,427	144,991,413	53,992,471	91,287,949	145,280,420
<b>Total Noncurrent Assets</b>	<b>71,632,360</b>	<b>309,827,596</b>	<b>381,459,956</b>	<b>73,602,510</b>	<b>302,717,057</b>	<b>376,319,567</b>
<b>TOTAL ASSETS</b>	<b>95,530,856</b>	<b>384,556,650</b>	<b>480,087,506</b>	<b>93,471,920</b>	<b>370,634,300</b>	<b>464,106,220</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Deferred Loss on Defeasance of Debt	28,691		28,691	62,073		62,073
Deferred Amount Relating to Pensions	1,538,719	(60,740)	1,477,979	2,484,078	414,639	2,898,717
Deferred Amount Relating to OPEB	585,848	294,729	880,577	616,783	334,455	951,238
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2,153,258</b>	<b>233,989</b>	<b>2,387,247</b>	<b>3,162,934</b>	<b>749,094</b>	<b>3,912,028</b>

(Continued)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
 SCHEDULE OF NET POSITION  
 DECEMBER 31, 2023 AND 2022

	2023			2022 (Restated)		
	Solid Waste Operations	Other	Total	Solid Waste Operations	Other (Restated)	Total (Restated)
<b>CURRENT LIABILITIES PAYABLE FROM UNRESTRICTED ASSETS:</b>						
Accounts Payable - Operations	\$ 951,400	\$ 468,919	\$ 1,420,319	\$ 801,419	\$ 630,088	\$ 1,431,507
Other Payables		1,063,870	1,063,870		1,038,507	1,038,507
Accrued Liabilities	94,090	45,809	139,899	96,246	48,044	144,290
Accrued Liabilities - Pension	544,027	163,650	707,677	533,448	158,330	691,778
Customer Deposits	170,100		170,100	154,400		154,400
Security Deposits		33,373	33,373			
Landfill Taxes Payable	167,843		167,843	177,517		177,517
Host Community Benefit Payable	46,095		46,095	50,167		50,167
Unearned Revenue		228,601	228,601	7,475	238,239	245,714
Unearned Grant Revenue		176,060	176,060		121,823	121,823
<b>Total Current Liabilities Payable From Unrestricted Assets</b>	<b>1,973,555</b>	<b>2,180,282</b>	<b>4,153,837</b>	<b>1,820,672</b>	<b>2,235,031</b>	<b>4,055,703</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:</b>						
Loans Payable	402,090	1,121,522	1,523,612	5,371,400	983,799	6,355,199
Contracts Payable - Construction	18,174	48,331	66,505	195,196	944,625	1,139,821
Contracts Payable - Retainage					138,905	138,905
Arbitrage Rebate Liability		254,180	254,180			
Revenue Bonds Payable	2,367,907	3,630,000	5,997,907	2,188,908	3,494,000	5,682,908
Accrued Interest Payable - Revenue Bonds and Loans	149,836	996,054	1,145,890	187,235	1,023,768	1,211,003
Due to Unrestricted Assets	2,109,196		2,109,196	92,811		92,811
License Agreement Escrow						
<b>Total Current Liabilities Payable From Restricted Assets</b>	<b>5,047,203</b>	<b>6,050,087</b>	<b>11,097,290</b>	<b>8,035,550</b>	<b>6,585,097</b>	<b>14,620,647</b>
<b>LONG-TERM LIABILITIES:</b>						
Revenue Bonds Payable	15,782,120	128,373,323	144,155,443	12,763,531	125,265,090	138,028,621
Loan Payable	1,463,520	13,648,488	15,112,008	590,610	9,985,635	10,576,245
Accrued Closure and Postclosure Care Costs	38,086,066		38,086,066	37,097,166		37,097,166
Accrued Liability Pension	272,014	81,825	353,839	266,724	79,165	345,889
Net Pension Liability	7,121,289	548,023	7,669,312	7,526,792	751,933	8,278,725
Net OPEB Liability	3,247,003	1,033,285	4,280,288	3,050,770	951,116	4,001,886
Accrued Compensated Absences	152,807	62,085	214,892	138,619	57,058	195,677
<b>Total Long-Term Liabilities</b>	<b>66,124,819</b>	<b>143,747,029</b>	<b>209,871,848</b>	<b>61,434,212</b>	<b>137,089,997</b>	<b>198,524,209</b>
<b>Total Liabilities</b>	<b>73,145,577</b>	<b>151,977,398</b>	<b>225,122,975</b>	<b>71,290,434</b>	<b>145,910,125</b>	<b>217,200,559</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Deferred Amount Relating to Pensions	1,175,963	(152,623)	1,023,340	1,595,246	58,216	1,653,462
Deferred Amount Relating to OPEB	425,044	213,832	638,876	405,840	220,070	625,910
Deferred Amount Relating to Arts & Innovation Project		3,784,375	3,784,375		3,784,375	3,784,375
Deferred Amount Relating to Leases		221,993,588	221,993,588		215,971,524	215,971,524
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,601,007</b>	<b>225,839,172</b>	<b>227,440,179</b>	<b>2,001,086</b>	<b>220,034,185</b>	<b>222,035,271</b>
<b>NET POSITION:</b>						
Net Investment in Capital Assets	34,548,136	4,351,991	38,900,127	34,855,291	4,987,831	39,843,122
Restricted:						
Operations	2,171,340		2,171,340	2,082,700		2,082,700
Debt Service	1,780,000	570,944	2,350,944	1,690,000	548,222	2,238,222
Equipment Renewal and Replacement	2,303,775		2,303,775	1,692,233		1,692,233
Unrestricted (Deficit)	(17,865,721)	2,051,134	(15,814,587)	(16,976,890)	(96,969)	(17,073,859)
<b>Total Net Position</b>	<b>\$ 22,937,530</b>	<b>\$ 6,974,069</b>	<b>\$ 29,911,599</b>	<b>\$ 23,343,334</b>	<b>\$ 5,439,084</b>	<b>\$ 28,782,418</b>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023			2022 (Restated)		
	Solid Waste Operations	Other	Total	Solid Waste Operations	Other (Restated)	Total (Restated)
<b>OPERATING REVENUE:</b>						
Landfill Tipping Fees	\$ 17,212,165	\$ -	\$ 17,212,165	\$ 15,099,094	\$ -	\$ 15,099,094
Lease/Rental Income		10,313,270	10,313,270		9,946,852	9,946,852
Interest Income on Leases		400,282	400,282		397,413	397,413
Project Management Fee		982,771	982,771		1,037,911	1,037,911
Renewable Energy Revenue	309,566		309,566	544,929		544,929
Recycle Revenue	945,384		945,384	1,042,875		1,042,875
Operating Grants	395,740	65,955	461,695	338,971	507,506	846,477
Project Income - Fleet Maintenance		244,877	244,877		176,003	176,003
Admin. Fees/ Bond Transaction Fee/ Real Estate Transactions		7,875	7,875		2,488	2,488
Property Management Fee		1,065,129	1,065,129		1,065,473	1,065,473
Other Operating Income	72,850	766,323	839,173	65,375	1,258,491	1,323,866
<b>Total Operating Revenue</b>	<b>18,935,705</b>	<b>13,846,482</b>	<b>32,782,187</b>	<b>17,091,244</b>	<b>14,392,137</b>	<b>31,483,381</b>
<b>OPERATING EXPENSES:</b>						
Cost of Providing Services	10,547,956	4,523,815	15,071,771	9,772,563	4,762,008	14,534,571
Administrative and General	3,319,645	1,013,963	4,333,608	3,084,660	1,146,420	4,231,080
Closure and Postclosure Costs	988,900		988,900	1,081,037		1,081,037
Depreciation	5,100,443	4,758,537	9,858,980	5,190,682	4,611,388	9,802,070
<b>Total Operating Expenses</b>	<b>19,956,944</b>	<b>10,296,315</b>	<b>30,253,259</b>	<b>19,128,942</b>	<b>10,519,816</b>	<b>29,648,758</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,021,239)</b>	<b>3,550,167</b>	<b>2,528,928</b>	<b>(2,037,698)</b>	<b>3,872,321</b>	<b>1,834,623</b>
<b>NON-OPERATING REVENUE (EXPENSES):</b>						
Interest Income	929,887	2,666,396	3,596,283	548,952	475,692	1,024,644
Interest Expense	(283,047)	(5,323,548)	(5,606,595)	(324,024)	(5,359,520)	(5,683,544)
Net Increase (Decrease) in Fair Value of Investments	740,330	15,803	756,133	(2,462,131)	(78,750)	(2,540,881)
Abandoned Projects					(818,007)	(818,007)
Appropriated to County	(774,866)		(774,866)	(744,605)		(744,605)
Premium Paid - Prepayment of Debt					(665,000)	(665,000)
Debt Issue Costs Incurred	(68,704)	(164,839)	(233,543)	(4,505)	(60,714)	(65,219)
Gain/Loss on Disposal of Assets	775	(1,149,766)	(1,148,991)	798,773	692,623	1,491,396
PILOT Program - Municipal					(9,334)	(9,334)
Other Non-Operating Income	71,060	783,334	854,394	75,699	733,374	809,073
<b>Total Non-Operating Revenue (Expenses)</b>	<b>615,435</b>	<b>(3,172,620)</b>	<b>(2,557,185)</b>	<b>(2,111,841)</b>	<b>(5,089,636)</b>	<b>(7,201,477)</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEM</b>	<b>(405,804)</b>	<b>377,547</b>	<b>(28,257)</b>	<b>(4,149,539)</b>	<b>(1,217,315)</b>	<b>(5,366,854)</b>
<b>CAPITAL CONTRIBUTIONS</b>				36,141		36,141
<b>SPECIAL ITEM</b>		1,157,438	1,157,438			
<b>CHANGE IN NET POSITION</b>	<b>(405,804)</b>	<b>1,534,985</b>	<b>1,129,181</b>	<b>(4,113,398)</b>	<b>(1,217,315)</b>	<b>(5,330,713)</b>
<b>NET POSITION-BEGINNING, AS REPORTED</b>	<b>23,343,334</b>	<b>5,439,084</b>	<b>28,782,418</b>	<b>27,456,732</b>	<b>7,840,754</b>	<b>35,297,486</b>
<b>PRIOR PERIOD ADJUSTMENTS</b>					(1,184,355)	(1,184,355)
<b>NET POSITION-BEGINNING, AS RESTATED</b>	<b>23,343,334</b>	<b>5,439,084</b>	<b>28,782,418</b>	<b>27,456,732</b>	<b>6,656,399</b>	<b>34,113,131</b>
<b>TOTAL NET POSITION-ENDING</b>	<b>\$ 22,937,530</b>	<b>\$ 6,974,069</b>	<b>\$ 29,911,599</b>	<b>\$ 23,343,334</b>	<b>\$ 5,439,084</b>	<b>\$ 28,782,418</b>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
SCHEDULE OF REVENUES AND COSTS FUNDED BY  
REVENUES COMPARED TO BUDGET - BUDGETARY BASIS  
SOLID WASTE OPERATIONS**

**YEAR ENDED DECEMBER 31, 2023**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>2023 BUDGET</b>	<b>2023 ACTUAL</b>	<b>2022 ACTUAL</b>
<b>REVENUE:</b>			
Closure Postclosure Escrow Funds Utilized	\$ -	\$ 16,865	\$ 16,095
User Charges and Fees	16,236,985	17,212,165	15,099,094
Recycle Revenue	1,331,880	945,384	1,042,875
Methane Gas Project Revenue	254,884	309,566	544,929
Operating Grants	352,043	395,740	338,970
Interest Income	5,000	107,131	34,842
Rental Income		27,658	27,706
Miscellaneous Revenues		116,252	113,368
<b>Total Revenue</b>	<b>18,180,792</b>	<b>19,130,761</b>	<b>17,217,879</b>
<b>EXPENSES:</b>			
Costs of Providing Services:			
Salaries and Wages - Operations	2,247,808	2,219,554	2,157,151
Fringe Benefits	1,310,475	1,294,968	1,170,410
Consultant Services - Operations	640,364	532,073	777,551
Fuel	613,233	386,516	462,686
Equipment Maintenance Agreements	170,289	211,433	159,258
Tires	82,616	81,068	39,541
Replacement Parts	234,150	302,684	224,105
Repairs and Maintenance	176,012	224,440	171,325
Truck Wash Parts & Supplies	26,438	8,732	25,845
Tire Repair			41,335
Lawn Maintenance	50,280	100,795	38,374
Utilities	336,428	291,007	413,496
Recycle Rebate	20,000	16,147	21,956
Materials and Supplies	59,200	54,798	40,413
Road & Slope Maintenance	50,000	51,391	12,828
Gas Well Maintenance	75,000	125,236	148,451
Uniforms	61,472	48,048	41,893
Landfill Parts & Supplies	59,000	83,734	54,425
Security Services	12,384	18,691	12,188
Equipment Rental	238,800	218,921	210,215
Leachate Treatment	126,075	167,055	188,106
Leachate Hauling	466,879	1,474,372	762,514
Treatment Facility - Replacement Parts	259,523	177,703	349,697
Treatment Facility - Repairs and Maintenance	263,252	366,694	359,194
Groundwater Sampling and Analysis	75,127	51,122	66,233
Flare			53,725
Telephone	20,540	24,694	20,540
Disposal Fees	1,459,366	1,514,008	1,478,495
REA Grant	104,400	124,162	80,393
Promotional Materials	16,000	26,665	29,256
Public Awareness & Advertising	32,200	37,572	29,977
Other Operating Costs	38,488	54,542	38,265
	<b>9,325,799</b>	<b>10,288,825</b>	<b>9,679,841</b>

(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, 2023**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2023</u> <u>BUDGET</u>	<u>2023</u> <u>ACTUAL</u>	<u>2022</u> <u>ACTUAL</u>
<b>EXPENSES (CONTINUED):</b>			
Administrative and General Expenses:			
Salaries and Wages	\$ 1,079,998	\$ 1,048,230	\$ 980,696
Fringe Benefits	577,799	511,443	544,691
Administrative Payroll Expense	10,844	10,470	10,596
Building Rent	301,388	301,387	304,087
Security	693	479	467
Office Supplies and Expense	32,250	19,118	24,737
Professional Services	351,100	275,264	296,751
Professional Services - Closure Related	16,800	16,865	16,095
Insurance	426,089	470,536	420,348
Travel, Conferences and Meetings	9,005	5,380	4,298
Dues and Subscriptions	7,916	5,092	5,179
Utilities	36,681	30,897	31,676
Telephone	21,637	18,748	20,246
Licenses, Permits, Penalties and Assessments	180,237	153,064	99,502
Other Administrative Expenses	131,753	162,950	129,782
Training Programs	23,850	9,180	37,178
Repairs and Maintenance	32,121	20,586	53,335
Public Awareness and Advertising	40,500	18,369	29,231
REA Grant	49,203	49,009	33,325
Public Relations	20,300		
Automotive Supplies and Expenses	7,500	10,847	12,163
Litter Abatement Program	44,556	58,049	59,406
	<u>3,402,220</u>	<u>3,195,963</u>	<u>3,113,789</u>
<b>Interest Expense</b>	<u>341,039</u>	<u>337,366</u>	<u>395,591</u>
<b>OTHER COSTS FUNDED BY REVENUES:</b>			
Principal Maturities	2,769,295	2,477,293	2,494,693
Capital Outlays	300,000	475,901	1,120,423
Reserve for Equipment Renewal and Replacement	868,000	861,019	922,010
Reserve for Operating and Maintenance	88,643	88,640	136,860
Debt Service Coverage Requirements	311,033		
Appropriated to County	774,866	774,866	744,605
	<u>5,111,837</u>	<u>4,677,719</u>	<u>5,418,591</u>
<b>TOTAL COSTS FUNDED BY REVENUES</b>	<u>18,180,895</u>	<u>18,499,873</u>	<u>18,607,812</u>

(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, 2023**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2023</u> <u>BUDGET</u>	<u>2023</u> <u>ACTUAL</u>	<u>2022</u> <u>ACTUAL</u>
<b>REVENUES OVER (UNDER) COSTS FUNDED BY REVENUES</b>	<u>\$ (103)</u>	\$ 630,888	\$ (1,389,933)
<b>Reconciliation of Budgetary Basis to Change in Net Position:</b>			
Adjustments to Budgetary Basis:			
Interest Income not used for Operations		822,756	514,109
Capital Outlays		475,901	1,120,423
Principal Maturities		2,477,293	2,494,693
Transfers to Renewal and Replacement Reserves		861,019	922,010
Increase in Reserve for Operating and Maintenance		88,640	136,860
Increase (Decrease) in Fair Value of Investments		740,330	(2,462,131)
Closure Postclosure Escrow Funds Utilized		(16,865)	(16,095)
Amortization Charged to Interest Expense		54,319	71,569
Depreciation		(5,100,443)	(5,190,682)
Gain on Disposal of Assets		775	798,773
Closure Post Closure Expenses per GAAP		(988,900)	(1,081,037)
Debt Issuance Costs Incurred		(68,704)	(4,505)
Capital Contributions			36,141
OPEB - Difference of GAAP vs. Budgetary Basis		(246,372)	(195,703)
Pension Expense - Difference of GAAP vs. Budgetary Basis		<u>(136,441)</u>	<u>132,110</u>
<b>CHANGE IN NET POSITION PER SCHEDULE 3</b>		<u>\$ (405,804)</u>	<u>\$ (4,113,398)</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY**  
**SCHEDULE OF REVENUES AND COSTS FUNDED BY**  
**REVENUES COMPARED TO BUDGET - BUDGETARY BASIS**  
**OTHER OPERATIONS**

**YEAR ENDED DECEMBER 31, 2023**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>2023 BUDGET</b>	<b>2023 ACTUAL</b>	<b>(Restated) 2022 ACTUAL</b>
<b>REVENUE:</b>			
Lease/Rental Income	\$ 11,604,827	\$ 10,575,108	\$ 10,344,265
Project Management Fee	1,999,436	982,771	1,037,911
Admin. Fees/ Bond Transaction Fee/ Real Estate Transactions		7,875	2,488
Fuel Income (Gas & CNG)	484,380	616,676	536,458
Fleet Maintenance	181,129	244,877	176,003
Property Management Fee	1,065,473	1,065,129	1,065,473
Other Operating Income	45,000	429,161	924,604
Miscellaneous Income	467,870	503,820	530,803
Operating Grants	5,000	65,955	507,506
Interest Income		2,666,391	475,692
<b>Total Revenue</b>	<b>15,853,115</b>	<b>17,157,763</b>	<b>15,601,203</b>
<b>EXPENSES:</b>			
Costs of Providing Services:			
Salaries	1,652,197	1,502,401	1,528,738
Employee Benefits	973,386	900,299	895,379
Building Services	1,419,451	1,193,037	1,209,160
Repairs and Maintenance	105,000	246,200	168,065
Garage Lease	4,116	4,116	11,616
Grant Expenses	5,000	63,635	475,934
Fuel and CNG	324,820	350,486	322,409
Other Operating Expenses	177,988	66,403	64,736
	<b>4,661,958</b>	<b>4,326,577</b>	<b>4,676,037</b>
Administrative and General Expenses:			
Salaries	161,674	155,923	198,270
Employee Benefits	76,347	64,171	124,998
Professional Services	232,110	330,460	476,079
Property Management	190,004	185,504	185,504
Insurance	21,064	26,031	21,335
Marketing and Advertising	11,960	25,283	35,387
Sponsorships	13,950		
Other Administrative Expenses	143,202	155,563	156,342
	<b>850,311</b>	<b>942,935</b>	<b>1,197,915</b>
Interest Expense	5,369,062	5,403,659	5,454,977

(Continued)

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
SCHEDULE OF REVENUES AND COSTS FUNDED BY  
REVENUES COMPARED TO BUDGET - BUDGETARY BASIS  
OTHER OPERATIONS**

**YEAR ENDED DECEMBER 31, 2023**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>2023 BUDGET</b>	<b>2023 ACTUAL</b>	<b>(Restated) 2022 ACTUAL</b>
<b>OTHER COSTS FUNDED BY REVENUES:</b>			
Principal Maturities	\$ 4,555,219	\$ 4,477,799	\$ 4,782,925
Capital Outlays	140,000	26,906	47,138
Replacement Reserve	50,284	50,284	50,284
PILOT Program - Municipal	7,500		9,334
	<u>4,753,003</u>	<u>4,554,989</u>	<u>4,889,681</u>
<b>TOTAL COSTS FUNDED BY REVENUES</b>	<u>15,634,334</u>	<u>15,228,160</u>	<u>16,218,610</u>
<b>REVENUES OVER (UNDER) COSTS FUNDED BY REVENUES</b>	<u>\$ 218,781</u>	1,929,603	(617,407)
<b>Reconciliation of Budgetary Basis to Change in Net Position:</b>			
Adjustments to Budgetary Basis:			
Abandoned Projects		-	(818,007)
Capital Outlays		26,906	47,138
Transfers to Renewal and Replacement Reserves		50,284	50,284
Principal Maturities		4,477,799	4,782,925
Debt Issue Costs Incurred		(164,839)	(60,714)
Amortization Charged to Interest Expense		98,393	95,457
Increase (Decrease) in Fair Value of Investments		15,803	(78,750)
Gain / Loss on Disposal of Assets		(1,149,766)	692,623
Premium Paid - Prepayment of Debt			(665,000)
OPEB - Difference of GAAP vs. Budgetary Basis		(115,656)	(106,106)
Pension Expense - Difference of GAAP vs. Budgetary Basis		(68,610)	71,630
Depreciation		(4,583,594)	(4,611,388)
Change in Net Position - Blended Component Unit		<u>1,018,662</u>	
<b>CHANGE IN NET POSITION PER SCHEDULE 3</b>		<u>\$ 1,534,985</u>	<u>\$ (1,217,315)</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY**  
**SCHEDULE OF RECONCILIATION OF BUDGETARY REVENUES AND**  
**COSTS FUNDED BY REVENUES TO CHANGE IN NET POSITION**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>(Restated)</u> <u>2022</u>
<b>Revenues Over (Under) Costs Funded By Revenues:</b>		
Solid Waste Operations - Schedule 4A	\$ 630,888	\$ (1,389,933)
Other Operations - Schedule 4B	1,929,603	(617,407)
	<u>2,560,491</u>	<u>(2,007,340)</u>
<b>Adjustments to Budgetary Basis:</b>		
Abandoned Projects		(818,007)
Interest Income not used for Operations	822,756	514,109
Capital Outlays	502,807	1,167,561
Principal Maturities	6,955,092	7,277,618
Transfers to Renewal and Replacement Reserves	911,303	972,294
Increase (Decrease) in Fair Value of Investments	756,133	(2,540,881)
Increase in Reserve for Operating and Maintenance	88,640	136,860
Closure Postclosure Escrow Funds Utilized	(16,865)	(16,095)
Amortization Charged to Interest Expense	152,712	167,026
Depreciation	(9,684,037)	(9,802,070)
Gain on Disposal of Assets	(1,148,991)	1,491,396
Closure Post Closure Expenses per GAAP	(988,900)	(1,081,037)
Debt Issue Costs Incurred	(233,543)	(65,219)
Premium Paid - Prepayment of Debt		(665,000)
OPEB - Difference of GAAP vs. Budgetary Basis	(362,028)	(301,809)
Pension Expense - Difference of GAAP vs. Budgetary Basis	(205,051)	203,740
Capital Contributions		36,141
Change in Net Position - Blended Component Unit	<u>1,018,662</u>	
<b>Change in Net Position Per Exhibit B</b>	<u>\$ 1,129,181</u>	<u>\$ (5,330,713)</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
SCHEDULE OF REVENUE BONDS PAYABLE  
DECEMBER 31, 2023**

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2023	PRINCIPAL ADDITIONS 2023	PRINCIPAL MATURITIES 2023	ADDITIONAL PAID 2023	DEFEASSED 2023	BALANCE DECEMBER 31, 2023
			DATE	AMOUNT							
<b>2014 County Guaranteed Facilities Acquisition Project Revenue Bonds</b>	\$ 17,955,000	5/29/2014	5/1/2024	\$ 640,000	5.000%	\$ 14,165,000	\$ -	\$ 610,000	\$ -	\$ -	\$ 13,555,000
			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%						
<b>2015A County Guaranteed Solid Waste Revenue Refunding Bonds</b>	14,595,000	5/29/2015	1/1/2024	1,780,000	5.000%	7,260,000		1,690,000			5,570,000
			1/1/2025	1,860,000	4.000%						
			1/1/2026	1,930,000	3.000%						
<b>2015 Lease Revenue Bonds - State Office Buildings Project</b>	3,975,000	8/25/2015	6/15/2024	265,000	3.690%	2,675,000		260,000			2,415,000
			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%						
<b>2017 New Jersey Environmental Infrastructure Trust Loan</b>	2,510,000	5/25/2017	9/2/2024	120,000	5.000%	2,020,000		110,000			1,910,000
			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%						

(Continued)

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
SCHEDULE OF REVENUE BONDS PAYABLE  
DECEMBER 31, 2023**

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2023	PRINCIPAL ADDITIONS 2023	PRINCIPAL MATURITIES 2023	ADDITIONAL PAID 2023	DEFEASED 2023	BALANCE DECEMBER 31, 2023
			DATE	AMOUNT							
<b>2017 New Jersey Environmental Infrastructure Fund Loan</b>	\$ 7,648,515	5/25/2017	2024	\$ 388,908	N/A	\$ 5,444,705	\$ -	\$ 388,908	\$ -	\$ -	\$ 5,055,797
			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							
<b>2017 Revenue Bonds</b>	12,000,000	10/4/2017	10/4/2024	128,000	4.375%	4,496,000		121,000			4,375,000
			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%						
<b>Series 2017 City of Vineland Public Safety Project</b>	21,935,000	12/12/2017	12/15/2024	715,000	5.000%	20,685,000		680,000			20,005,000
			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, 2023**

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2023	PRINCIPAL ADDITIONS 2023	PRINCIPAL MATURITIES 2023	ADDITIONAL PAID 2023	DEFEASED 2023	BALANCE DECEMBER 31, 2023
			DATE	AMOUNT							
<b>2018 Revenue Bonds</b>	\$ 3,200,000	9/15/2018	12/31/2024	\$ 192,000	4.980%	\$ 2,549,000	\$ -	\$ 183,000	\$ -	\$ -	\$ 2,366,000
			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%						
<b>2018 Revenue Bonds</b>											
<b>County Correctional Facility Project</b>	64,990,000	12/13/2018	10/1/2024	740,000	5.000%	63,070,000		705,000			62,365,000
			10/1/2025	780,000	5.000%						
			10/1/2026	815,000	5.000%						
			10/1/2027	860,000	5.500%						
			10/1/2028	905,000	5.000%						
			10/1/2029	950,000	5.500%						
			10/1/2030	1,000,000	5.000%						
			10/1/2031	1,050,000	5.000%						
			10/1/2032	1,100,000	5.000%						
			10/1/2033	1,155,000	5.000%						
			10/1/2034	1,215,000	5.000%						
			10/1/2035	1,275,000	5.000%						
			10/1/2036	1,340,000	5.000%						
			10/1/2037	1,405,000	5.000%						
			10/1/2038	1,475,000	5.000%						
			10/1/2039	1,550,000	4.000%						
			10/1/2040	1,610,000	4.000%						
			10/1/2041	1,675,000	4.000%						
			10/1/2042	1,740,000	4.000%						
			10/1/2043	1,810,000	4.000%						
			10/1/2044	1,885,000	4.000%						
			10/1/2045	1,960,000	4.000%						
			10/1/2046	2,040,000	4.000%						
			10/1/2047	2,120,000	4.000%						
			10/1/2048	2,205,000	4.000%						
			10/1/2049	2,290,000	4.000%						
			10/1/2050	2,385,000	4.000%						
			10/1/2051	2,480,000	4.000%						
			10/1/2052	2,580,000	4.000%						
			10/1/2053	2,680,000	4.000%						
			10/1/2054	2,790,000	4.000%						
			10/1/2055	2,900,000	5.000%						
			10/1/2056	3,045,000	5.000%						
			10/1/2057	3,200,000	5.000%						
			10/1/2058	3,355,000	5.000%						

(Continued)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
 SCHEDULE OF REVENUE BONDS PAYABLE  
 DECEMBER 31, 2023

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2023	PRINCIPAL ADDITIONS 2023	PRINCIPAL MATURITIES 2023	ADDITIONAL PAID 2023	DEFEASED 2023	BALANCE DECEMBER 31, 2023
			DATE	AMOUNT							
<b>2019 County Guaranteed- Administration Building</b>	\$ 4,970,000	4/4/2019	3/15/2024	\$ 95,000	3.000%	\$ 4,710,000	\$ -	\$ 90,000	\$ -	\$ -	\$ 4,620,000
			3/15/2025	100,000	5.000%						
			3/15/2026	100,000	5.000%						
			3/15/2027	105,000	5.000%						
			3/15/2028	110,000	5.000%						
			3/15/2029	120,000	5.000%						
			3/15/2030	125,000	5.000%						
			3/15/2031	130,000	5.000%						
			3/15/2032	135,000	5.000%						
			3/15/2033	145,000	5.000%						
			3/15/2034	150,000	5.000%						
			3/15/2035	160,000	5.000%						
			3/15/2036	165,000	5.000%						
			3/15/2037	175,000	5.000%						
			3/15/2038	185,000	5.000%						
			3/15/2039	195,000	5.000%						
			3/15/2040	200,000	3.500%						
			3/15/2041	210,000	3.500%						
			3/15/2042	215,000	3.500%						
			3/15/2043	225,000	3.500%						
			3/15/2044	235,000	3.500%						
			3/15/2045	240,000	5.000%						
			3/15/2046	255,000	5.000%						
			3/15/2047	270,000	5.000%						
			3/15/2048	280,000	5.000%						
			3/15/2049	295,000	5.000%						
<b>2020 Vineland Board of Education Bus Depot Project</b>	3,165,000	4/28/2020	4/15/2024	640,000	1.520%	1,925,000		635,000			1,290,000
			4/15/2025	650,000	1.520%						

(Continued)



CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
 SCHEDULE OF REVENUE BONDS PAYABLE  
 DECEMBER 31, 2023

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2023	PRINCIPAL ADDITIONS 2023	PRINCIPAL MATURITIES 2023	ADDITIONAL PAID 2023	DEFEASED 2023	BALANCE DECEMBER 31, 2023
			DATE	AMOUNT							
<b>Bridgeton Fire Station Series 2021</b>	\$ 7,495,000	12/22/2021	12/31/2024	\$ 150,000	4.000%	\$ 7,495,000	\$ -	\$ 145,000	\$ -	\$ -	\$ 7,350,000
			12/31/2025	160,000	4.000%						
			12/31/2026	165,000	4.000%						
			12/31/2027	170,000	4.000%						
			12/31/2028	175,000	4.000%						
			12/31/2029	185,000	4.000%						
			12/31/2030	190,000	4.000%						
			12/31/2031	200,000	4.000%						
			12/31/2032	210,000	4.000%						
			12/31/2033	215,000	4.000%						
			12/31/2034	225,000	4.000%						
			12/31/2035	235,000	4.000%						
			12/31/2036	245,000	4.000%						
			12/31/2037	255,000	3.000%						
			12/31/2038	260,000	3.000%						
			12/31/2039	270,000	3.000%						
			12/31/2040	275,000	3.000%						
			12/31/2041	285,000	3.000%						
			12/31/2042	295,000	4.000%						
			12/31/2043	305,000	4.000%						
			12/31/2044	315,000	4.000%						
12/31/2045	330,000	4.000%									
12/31/2046	345,000	4.000%									
12/31/2047	355,000	3.000%									
12/31/2048	365,000	3.000%									
12/31/2049	380,000	3.000%									
12/31/2050	390,000	3.000%									
12/31/2051	400,000	3.000%									
<b>Tech School Series 2022</b>	1,990,000	2/28/2022	12/15/2024	65,000	2.340%	1,920,000.00		65,000			1,855,000
			12/15/2025	65,000	2.340%						
			12/15/2026	70,000	2.340%						
			12/15/2027	70,000	2.340%						
			12/15/2028	70,000	2.340%						
			12/15/2029	75,000	2.340%						
			12/15/2030	75,000	2.340%						
			12/15/2031	75,000	2.340%						
			12/15/2032	80,000	2.340%						
			12/15/2033	80,000	2.340%						
			12/15/2034	80,000	2.340%						
			12/15/2035	85,000	2.340%						
			12/15/2036	965,000	2.340%						

(Continued)

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
SCHEDULE OF REVENUE BONDS PAYABLE  
DECEMBER 31, 2023**

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2023	PRINCIPAL ADDITIONS 2023	PRINCIPAL MATURITIES 2023	ADDITIONAL PAID 2023	DEFEASED 2023	BALANCE DECEMBER 31, 2023
			DATE	AMOUNT							
<b>State Police Barricks Series 2023</b>	\$ 6,300,000	11/29/2023	11/1/2025	\$ 100,000	5.000%	\$ -	\$ 6,300,000	\$ -	\$ -	\$ -	\$ 6,300,000
			11/1/2026	105,000	5.000%						
			11/1/2027	110,000	5.000%						
			11/1/2028	115,000	5.000%						
			11/1/2029	125,000	5.000%						
			11/1/2030	130,000	5.000%						
			11/1/2031	135,000	5.000%						
			11/1/2032	145,000	5.000%						
			11/1/2033	150,000	5.000%						
			11/1/2034	155,000	5.000%						
			11/1/2035	165,000	5.000%						
			11/1/2036	175,000	5.000%						
			11/1/2037	180,000	5.000%						
			11/1/2038	190,000	5.000%						
			11/1/2039	200,000	5.000%						
			11/1/2040	210,000	5.000%						
			11/1/2041	220,000	5.000%						
			11/1/2042	230,000	5.000%						
			11/1/2043	245,000	5.000%						
			11/1/2044	255,000	5.000%						
			11/1/2045	270,000	5.000%						
			11/1/2046	280,000	5.000%						
			11/1/2047	295,000	5.000%						
			11/1/2048	310,000	5.000%						
			11/1/2049	325,000	5.000%						
			11/1/2050	345,000	5.000%						
			11/1/2051	360,000	5.000%						
			11/1/2052	380,000	5.000%						
			11/1/2053	395,000	5.000%						
<b>2023 New Jersey Environmental Infrastructure Trust Loan</b>	2,927,005	12/15/2023	8/1/2025	100,000	5.000%		2,927,005				2,927,005
			8/1/2026	105,000	5.000%						
			8/1/2027	105,000	5.000%						
			8/1/2028	115,000	5.000%						
			8/1/2029	120,000	5.000%						
			8/1/2030	125,000	5.000%						
			8/1/2031	130,000	5.000%						
			8/1/2032	140,000	5.000%						
			8/1/2033	145,000	5.000%						
			8/1/2034	155,000	5.000%						
			8/1/2035	160,000	5.000%						
			8/1/2036	171,434	3.030%						
			8/1/2037	174,879	3.030%						
			8/1/2038	183,177	3.030%						
			8/1/2039	186,228	3.030%						
			8/1/2040	194,120	3.030%						
			8/1/2041	201,752	3.030%						
			8/1/2042	204,115	3.030%						
			8/1/2043	211,300	3.030%						

(Continued)

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
 SCHEDULE OF REVENUE BONDS PAYABLE  
 DECEMBER 31, 2023

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2023	PRINCIPAL ADDITIONS 2023	PRINCIPAL MATURITIES 2023	ADDITIONAL PAID 2023	DEFEASED 2023	BALANCE DECEMBER 31, 2023
			DATE	AMOUNT							
2023 New Jersey Environmental Infrastructure Fund Loan	\$ 2,330,478	12/15/2023	8/1/2024	\$ 78,999	N/A	\$ -	\$ 2,330,478	\$ -	\$ -	\$ -	\$ 2,330,478
			8/1/2025	118,499							
			8/1/2026	118,499							
			8/1/2027	118,499							
			8/1/2028	118,499							
			8/1/2029	118,499							
			8/1/2030	118,499							
			8/1/2031	118,499							
			8/1/2032	118,499							
			8/1/2033	118,499							
			8/1/2034	118,499							
			8/1/2035	118,499							
			8/1/2036	118,499							
			8/1/2037	118,499							
			8/1/2038	118,499							
			8/1/2039	118,499							
			8/1/2040	118,499							
			8/1/2041	118,499							
			8/1/2042	118,498							
			8/1/2043	118,498							
						<u>\$ 138,414,705</u>	<u>\$ 11,557,483</u>	<u>\$ 5,682,908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,289,280</u>

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
 SCHEDULE OF LOANS PAYABLE  
 DECEMBER 31, 2023

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2023	ISSUED 2023	PAID 2023	REFUNDED 2023	BALANCE DECEMBER 31, 2023
			DATE	AMOUNT						
2017 TD Loan Payable	\$ 7,357,350	12/29/2017	12/1/2024 12/1/2025	\$ 95,449 4,501,975	3.860%	\$ 4,689,699	\$ -	\$ 92,275	\$ -	\$ 4,597,424
CEZC	1,000,000	6/14/2018	6/14/2025	1,000,000	NA	1,000,000				1,000,000
Equipment Loan - CNG Station	3,000,000	7/31/2018	7/31/2024 7/31/2025 7/31/2026 7/31/2027 7/31/2028	303,642 313,905 324,515 335,485 346,822	3.380%	1,918,084		293,715		1,624,369
Equipment Loan - 2019	200,000	10/10/2019	10/10/2024	41,680	2.100%	82,502		40,822		41,680
Equipment Loan - Gas Wells	725,000	4/30/2020	4/30/2024 4/30/2025	147,493 150,075	1.750%	442,524		144,956		297,568
Equipment Loan - Food	1,650,000	10/30/2020	10/30/2024 10/30/2025 10/30/2026 10/30/2027	235,617 239,033 242,499 246,016	1.450%	1,195,413		232,248		963,165
Equipment Loan - Generators	850,000	12/18/2020	12/18/2024 12/18/2025	145,480 147,561	1.430%	436,471		143,430		293,041

(Continued)

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
SCHEDULE OF LOANS PAYABLE  
DECEMBER 31, 2023**

	<u>ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JANUARY 1, 2023</u>	<u>ISSUED 2023</u>	<u>PAID 2023</u>	<u>REFUNDED 2023</u>	<u>BALANCE DECEMBER 31, 2023</u>
			<u>DATE</u>	<u>AMOUNT</u>						
<b>TD Equipment Loan - SIM</b>	\$ 2,400,000	9/30/2021	9/30/2024	\$ 333,442	2.680%	\$ 2,083,737	\$ -	\$ 324,739	\$ -	\$ 1,758,998
			9/30/2025	342,378						
			9/30/2026	351,554						
			9/30/2027	360,975						
			9/30/2028	370,649						
<b>Solid Waste NJIB Slide Slope - Interim Construction Loan</b>	5,635,189	2/8/2022			Various	5,083,014			5,083,014	
<b>TD Equipment Loan - Leachate Equalization Inner Tank Replacement</b>	1,275,000	12/19/2023	11/1/2024	109,116	4.910%		1,275,000			1,275,000
			11/1/2025	106,127						
			11/1/2026	111,337						
			11/1/2027	116,804						
			11/1/2028	122,539						
			11/1/2029	128,556						
			11/1/2030	134,868						
			11/1/2031	141,490						
			11/1/2032	148,437						
			11/1/2033	155,726						
						<u>\$ 16,931,444</u>	<u>\$ 1,275,000</u>	<u>\$ 1,272,185</u>	<u>\$ 5,083,014</u>	<u>\$ 11,851,245</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
SCHEDULE OF CONDUIT DEBT  
DECEMBER 31, 2023**

ISSUE	DATE OF ISSUE	ISSUED AMOUNT	BALANCE JANUARY 1, 2023	BONDS ISSUED 2023	PRINCIPAL MATURITIES 2023	BONDS DEFEASED 2023	BALANCE DECEMBER 31, 2023
<b>Guaranteed by Other Governmental Entities:</b>							
Local Unit Program Bonds - City of Vineland Electric Utility Project, Series 2009B (1)	10/1/2009	\$ 53,555,000	\$ 13,000,000	\$ -	\$ 13,000,000	\$ -	\$ -
Cumberland County General Obligation Revenue Bonds Technical High School Project, Series 2019	1/16/2019	21,035,000	19,310,000		575,000		18,735,000
Cumberland County General Obligation Bonds Technical High School Project, Series 2014	10/30/2014	63,890,000	25,220,000		2,205,000		23,015,000
Cumberland County General Obligation Revenue Refunding Bonds Technical High School Project, Series 2020	7/15/2020	31,335,000	<u>30,110,000</u>		<u>405,000</u>		<u>29,705,000</u>
			<u>\$ 87,640,000</u>	<u>\$ -</u>	<u>\$ 16,185,000</u>	<u>\$ -</u>	<u>\$ 71,455,000</u>

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
ROSTER OF OFFICIALS  
AS OF DECEMBER 31, 2023**

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

George M. Olivio	Chairman (to 1/31/23)
Robert P. Nedohon, Jr.	Chairman (from 2/22/23) Treasurer (to 2/21/23)
Albert B. Kelly	Vice Chairman
Dale K. Jones	Treasurer (from 2/22/23) Secretary (to 2/21/23)
Shelly Schneider	Secretary (from 2/22/23) Assistant Treasurer (to 2/21/23)
Jason Scythes	Assistant Treasurer (from 2/22/23)
Gerard Velazquez, III	President, CEO
Archer & Greiner, P.C.	Solicitor
Phoenix Advisors	Financial Advisors

**CRIME POLICY/EMPLOYEE DISHONESTY**

Traveler's Insurance Company

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2023**

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

**None Noted.**



**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023**

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse 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).

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

Not Applicable.