

**MIDDLESEX COUNTY UTILITIES AUTHORITY**  
**FINANCIAL STATEMENTS**  
**WITH SUPPLEMENTARY INFORMATION**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**

# MIDDLESEX COUNTY UTILITIES AUTHORITY

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## INDEPENDENT AUDITORS' REPORT

The Board of Commissioners of  
Middlesex County Utilities Authority  
Sayreville, New Jersey

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities of the Middlesex County Utilities Authority (the "Authority"), which comprise the statements of net position as of December 31, 2022, and the statements of revenues and expenses, and cash flows for the years then ended and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents. The financial statements of the Authority as of and for the year ended December 31, 2021 were audited by other auditors whose report dated September 12, 2022 expressed an unmodified opinion on those financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of December 31, 2022, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division".) Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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 that may raise substantial doubt shortly thereafter.

## ***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and requirements prescribed by the Division 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 GAAS, *Government Auditing Standards* and requirements prescribed by the Division, 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 judgement, 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 management's discussion and analysis, schedule of changes in net OPEB liability, schedule of the Authority's OPEB contributions, schedule of the Authority's proportionate share of the net pension liability-PERS and schedule of the Authority's contributions-PERS, as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

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

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

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the schedule of rates, roster of officials and general comments and recommendations but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2023 on our consideration of the 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.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
September 22, 2023

**Report on Internal Control Over Financial Reporting and on Compliance  
And Other Matters Based On An Audit Of Financial Statements Performed  
In Accordance With *Government Auditing Standards***

**INDEPENDENT AUDITORS' REPORT**

The Board of Commissioners of  
Middlesex County Utilities Authority  
Sayreville, 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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements of the Middlesex County Utilities Authority (the "Authority"), as of and for the year ended December 31, 2022, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 22, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 opinion 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 Division.

### **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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

September 22, 2023  
Cranford, New Jersey

**MIDDLESEX COUNTY UTILITIES AUTHORITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2022**

This section presents management's discussion and analysis of the Middlesex County Utilities Authority's ("Authority") financial condition and activities for the years ended December 31, 2022 and 2021.

This information should be read in conjunction with the basic financial statements and accompanying notes to the basic financial statements, which immediately follow this section.

Management's Discussion and Analysis ("MD&A") is Required Supplementary Information specified in the Governmental Accounting Standards Board's ("GASB") Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis for Local Governments*. Certain comparative information between the current fiscal year and the prior two fiscal years are presented in the MD&A as required by GASB Statement No. 34.

**Overview of the Financial Statements**

The Middlesex County Utilities Authority is a body politic and corporate and an instrumentality of the State of New Jersey and operates two divisions. The Wastewater Division is supported by user fees from its participants which consisted of 23 municipalities and 4 commercial industries during the year ended December 31, 2022. The Wastewater Division supplies secondary wastewater treatment to Middlesex County and parts of Union and Somerset Counties. The Solid Waste Division is supported by tipping fees from waste generated and disposed of in Middlesex County.

The financial statements report information using full accrual accounting methods. The Authority is subject to GAAP (generally accepting accounting principles) as promulgated by GASB; hence the depreciation and amortization schedules are an integral part of the financial statements enumerated below.

The **Statements of Net Position** present the financial position of the Authority on a full accrual historical cost basis. The statements of net position present information on all of the Authority's assets, deferred inflows and outflows of resources, and liabilities, with the difference reported as net position. Over time, increases and decreases in net position are one indicator of whether the financial position of the Authority is improving or deteriorating.

The **Statements of Revenues and Expenses and the Statement of Changes in Net Position** present the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The **Statements of Cash Flows** present changes in cash and cash equivalents, resulting from operational, capital and non-capital financing, and investing activities. These statements present cash receipt and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

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The **Notes to the Basic Financial Statements** provide required disclosures and other information that are essential to a full understanding of material data provided in the financial statements. The notes present information about the Authority's accounting policies, significant account balances, and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

**Supplementary Information** comparing the budget to actual expenses, as well as important cash, cash equivalent and investment and debt coverage data, is provided.

The basic financial statements were prepared by the Authority's staff from the detailed books and records of the Authority. The basic financial statements were audited by the independent external audit process.

**Financial Condition**

**Statements of Net Position**

The Authority's total assets and deferred outflows of resources increased by \$7,959,846 mainly due to an overall increase in cash and investments. This was offset by a decrease in net capital assets and accounts and grants receivable. Total liabilities and deferred inflows of resources decreased by \$19,374,220, mainly due to a decrease in accrued expenses, bonds payable, accrued closure and post-closure care liabilities as well as other post-employment benefits (OPEB) deferrals. This was offset by an increase in net pension liability and accounts payable. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$467,270,129. This compares to 2021 where assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$439,936,063.

The Authority's Net Position of \$467,270,129 is comprised of the following:

1. Net investment in capital assets of \$511,851,900, as shown below, includes land, construction in progress, property plant and equipment, net of accumulated depreciation, and net of long-term debt related to the purchase or construction of capital assets. Net investment in capital assets increased by \$11,940,929 from the prior year.

	<b>Wastewater Division</b>	<b>Solid Waste Division</b>	<b>Total</b>
Capital Assets - Net	\$ 548,273,136	\$ 72,775,042	\$ 621,048,178
Cash held with bond trustee	6,176,369	-	6,176,369
	554,449,505	72,775,042	627,224,547
Less:			
Bonds payable, including unamortized bond premiums	110,791,389	3,491,184	114,282,573
Deferred gain on defeasance of debt	1,043,305	46,769	1,090,074
	111,834,694	3,537,953	115,372,647
Net Investment in Capital Assets	\$ 442,614,811	\$ 69,237,089	\$ 511,851,900

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2. Solid Waste Division net position of \$21,537,635, restricted for environmental self-insurance, decreased by \$1,907,817 from the prior year due to the pay-off of the loan from the wastewater division.
3. Wastewater Division net position of \$7,466,181 is designated for future debt service.
4. Wastewater Division net position of \$200,000 is designated for operations.
5. Wastewater Division net position of \$5,251,804 designated for future reconstruction and replacement increased \$533,805 from the prior year. This is mostly attributable to a budget designation of \$500,000. Solid Waste Division net position of \$4,208,093 designated for future reconstruction and replacement increased \$525,557 from the prior year is mostly attributable to a budget designation of \$500,000.
6. Wastewater Division net position of \$1,146 designated for construction remained the same as the prior year.
7. Wastewater Division net position of \$2,308,288 designated for liability insurance decreased by \$40,159 from the prior year due to transfers to unrestricted funds in 2022. Solid Waste Division net position of \$2,925,915 designated for liability insurance increased by \$9,672 from the prior year due to interest earned in 2022.
8. Wastewater Division net position of \$302,421 designated for auto insurance increased by \$2,457 from the prior year due to interest income earned in 2022. Solid Waste Division net position of \$195,948 designated for auto insurance decreased by \$3,077 from the prior year due.
9. Wastewater Division net position of \$126,800 designated for unemployment claims increased by \$2,624 from the prior year due to interest earned in 2022.
10. Solid Waste Division net position of \$20,542,347 designated for land acquisition and improvements remained consistent to the prior year.
11. Solid Waste Division net position of \$2,105,101 designated for future contingencies increased by \$12,678 as a result of interest earned in 2022.
12. Solid Waste Division net position of \$2,123,654 designated for public liability insurance increased by \$12,802 as a result of interest earned in 2022.
13. Wastewater Division unrestricted, undesignated net position (deficit) of (\$139,479,449) represents the portion available to maintain the Wastewater Division's continuing obligations to the contractual customers of its service area, its creditors and for its current liabilities. Solid Waste Division unrestricted, undesignated net position of \$25,615,985 represents the portion available to maintain the Solid Waste Division's continuing obligations to the contractual customers of its service area, its creditors and for its current liabilities.

**MIDDLESEX COUNTY UTILITIES AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION  
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14. Solid Waste Division unrestricted undesignated net position increased by \$18,606,046 and Wastewater Division unrestricted undesignated (deficit) increased \$2,391,217. Revenue exceeded expenditures by \$16,959,841 and \$10,374,225 for the Solid Waste Division and Wastewater Division, respectively.

Condensed Statements of Net Position

	<b>December 31, 2022</b>			
	<b>Waste water Division</b>	<b>Solid Waste Division</b>	<b>Eliminations</b>	<b>Total</b>
Total unrestricted current assets	\$ 35,641,904	\$ 61,633,765	\$ (26,305)	\$ 97,249,364
Total restricted current assets	37,485,296	85,229,839	(10,349,347)	112,365,788
Total restricted non current assets	-	44,302,736	-	44,302,736
Deferred outflows of resources	19,984,315	3,526,643	-	23,510,958
Capital assets, net	<u>548,273,136</u>	<u>72,775,042</u>	-	<u>621,048,178</u>
Total assets and deferred outflows of resources	<u>\$ 641,384,651</u>	<u>\$ 267,468,025</u>	<u>\$ (10,375,652)</u>	<u>\$ 898,477,024</u>
Total current liabilities payable from unrestricted assets	\$ 17,854,861	\$ 4,526,755	\$ (26,305)	\$ 22,355,311
Total current liabilities payable from restricted assets	14,929,166	1,876,520	-	16,805,686
Long term liabilities payable from restricted assets	231,731,223	102,475,015	(10,349,347)	323,856,891
Deferred inflows of resources	<u>58,077,399</u>	<u>10,111,608</u>	-	<u>68,189,007</u>
Total liabilities and deferred inflows of resources	<u>322,592,649</u>	<u>118,989,898</u>	<u>(10,375,652)</u>	<u>431,206,895</u>
Total Net Position	<u>\$ 318,792,002</u>	<u>\$ 148,478,127</u>	<u>\$ -</u>	<u>\$ 467,270,129</u>

  

	<b>December 31, 2021</b>			
	<b>Wastewater Division</b>	<b>Solid Waste Division</b>	<b>Eliminations</b>	<b>Total</b>
Total unrestricted current assets	\$ 38,553,104	\$ 45,891,844	\$ (28,915)	\$ 84,416,033
Total restricted current assets	40,660,000	98,752,931	(13,304,559)	126,108,372
Total restricted non current assets	2,280,167	28,032,879	-	30,313,046
Deferred outflows of resources	17,488,568	3,086,217	-	20,574,785
Capital assets, net	<u>554,186,059</u>	<u>74,905,243</u>	-	<u>629,091,302</u>
Total assets and deferred outflows of resources	<u>\$ 653,167,898</u>	<u>\$ 250,669,114</u>	<u>\$ (13,333,474)</u>	<u>\$ 890,503,538</u>
Total current liabilities payable from unrestricted assets	\$ 16,054,408	\$ 5,147,987	\$ (28,915)	\$ 21,173,480
Total current liabilities payable from restricted assets	14,782,822	1,853,001	-	16,635,823
Long term liabilities payable from restricted assets	256,840,361	102,227,014	(13,304,559)	345,762,816
Deferred inflows of resources	<u>57,072,530</u>	<u>9,922,826</u>	-	<u>66,995,356</u>
Total liabilities and deferred inflows of resources	<u>344,750,121</u>	<u>119,150,828</u>	<u>(13,333,474)</u>	<u>450,567,475</u>
Total Net Position	<u>\$ 308,417,777</u>	<u>\$ 131,518,286</u>	<u>\$ -</u>	<u>\$ 439,936,063</u>

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Total unrestricted current assets increased mainly as a result of an increase in cash offset by a decrease in accounts receivable as a result of current year operations and timing of receipts.

Total restricted current assets decreased mainly as a result of a decrease in cash offset by increases in investments and cash held with bond trustee.

Total restricted noncurrent assets increased as a result of the purchase of investments.

Total deferred outflows of resources increased as a result of increases in the pension deferrals as determined by the State of New Jersey, Division of Pensions and Benefits as well as an increase in the OPEB deferrals as determined by the Authority's actuary.

Capital assets, net decreased as a result of depreciation expense exceeding capital asset acquisitions and construction in progress.

Long term liabilities payable have decreased mainly as a result of a decrease in bonds payable and the liability for other post-employment benefits, offset by increases in the net pension liability and in the NJIB loan.

Total deferred inflows of resources increased as a result of increases in the OPEB deferrals as determined by the Authority's actuary.

Condensed Statements of Revenues, Expenses and Changes in Net Position

Wastewater Division 2022 operating revenues increased from 2021 levels, mainly due to a increase in annual charges and an increase in sale of landfill gas revenue. Total Wastewater Division operating expenses increased from 2021, mainly due to an increase in current year expenses related to the central treatment plant and current year depreciation offset by a decrease in pension expense as determined by the actuary.

Solid Waste Division 2022 operating revenues decreased from 2021 levels, mainly due to a decrease in tipping fee income. Total Solid Waste Division operating expenses increased from 2021, mainly due to an increase in current year depreciation and closure reserve fund.

Total operating revenues less total operating expenses resulted in 2022 operating income of \$10,306,190 for the Wastewater Division, which is a decrease from the operating income in 2021 of \$2,454,317.

Total operating revenues less total operating expenses resulted in 2022 operating income of \$18,946,073 for the Solid Waste Division, which is a decrease from the Solid Waste Division operating income in 2021 of \$1,903,627.

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Total Net Position as of December 31, 2022 increased \$27,334,066 from 2021, Total Net Position, as is depicted below.

	<u>Year ended December 31, 2022</u>			
	<u>Wastewater Division</u>	<u>Solid Waste Division</u>	<u>Eliminations</u>	<u>Total</u>
Total operating revenues	\$ 97,616,762	\$ 51,907,074	\$ (2,327,908)	\$ 147,195,928
Total operating expenses	87,310,572	32,961,001	(2,327,908)	117,943,665
Operating income	10,306,190	18,946,073	-	29,252,263
Nonoperating revenues (expenses) - net	68,035	588,077	-	656,112
Net decrease in the fair value of investments	-	(2,574,309)	-	(2,574,309)
Change in net position	10,374,225	16,959,841	-	27,334,066
Total net position - beginning	308,417,777	131,518,286	-	439,936,063
Total net position - ending	<u>\$ 318,792,002</u>	<u>\$ 148,478,127</u>	<u>\$ -</u>	<u>\$ 467,270,129</u>

	<u>Year ended December 31, 2021</u>			
	<u>Wastewater Division</u>	<u>Solid Waste Division</u>	<u>Eliminations</u>	<u>Total</u>
Total operating revenues	\$ 92,835,400	\$ 52,725,018	\$ (2,446,659)	\$ 143,113,759
Total operating expenses	80,074,893	31,875,118	(2,446,659)	109,503,352
Operating income	12,760,507	20,849,900	-	33,610,407
Nonoperating revenues (expenses) - net	2,439,298	268,203	-	2,707,501
Net decrease in the fair value of investments	-	(1,079,922)	-	(1,079,922)
Change in net position	15,199,805	20,038,181	-	35,237,986
Total net position - beginning	293,217,972	111,480,105	-	404,698,077
Total net position - ending	<u>\$ 308,417,777</u>	<u>\$ 131,518,286</u>	<u>\$ -</u>	<u>\$ 439,936,063</u>

**Capital Assets**

At the end of the fiscal years ended December 31, 2022 and 2021, the Wastewater Division had \$548,273,136 and \$554,186,059, respectively, invested in land, construction in progress, buildings and improvements, other improvements, machinery and equipment, furniture and fixtures, and landfill gas collection facility and equipment, net of accumulated depreciation and amortization. The decrease in net capital assets is due to current year depreciation expense exceeding capital asset additions and completion of construction in progress related to the ongoing the renovations and construction of the Sayreville and Edison pumping stations.

At the end of the fiscal years ended December 31, 2022 and 2021, the Solid Waste Division had \$72,775,042 and \$74,905,243, respectively, invested in land, construction in progress, buildings and improvements, landfill and landfill expansion, other improvements, machinery and equipment, net of

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**REQUIRED SUPPLEMENTARY INFORMATION**  
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**DECEMBER 31, 2022**

accumulated depreciation and amortization. The decrease in net capital assets is due to current year depreciation expense exceeding current year capital asset additions.

Amortization for the landfill itself is based on estimated "air space" remaining before the landfill has to be closed and capped.

See Note 5 to the financial statements for additional information.

**Debt Administration**

As of December 31, 2022, the Wastewater Division had \$108,918,132 of outstanding bonds, not including unamortized premiums on bonds. As of December 31, 2021, the Wastewater Division had \$122,601,847 of outstanding debt, not including unamortized premiums on bonds. Bond principal payments and reductions for refund savings and bond deobligations of \$13,683,715 were made in accordance with the amortization schedules.

As of December 31, 2022, the Solid Waste Division had \$3,408,463 of outstanding bonds, not including unamortized premiums on bonds. As of December 31, 2021, the Solid Waste Division had \$5,169,944 of outstanding debt, not including unamortized premiums on bonds. Bond principal payments of \$1,761,481 were made in accordance with the amortization schedules.

See Note 7 to the financial statements for additional information.

**Other Financial Information**

**Wastewater Division:**

- The landfill gas revenue increased 242% due to the Authority contracting with Trident to purchase all of their landfill gas.

**Solid Waste Division:**

- Soil program revenue increased 28.2% due to an increase in the amount of soil delivered to the landfill in 2022.

**MIDDLESEX COUNTY UTILITIES AUTHORITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2022**

**Financial Contact**

The Authority's financial statements are designed to present users (citizens, taxpayers, investors and creditors) with a general overview of the Authority's finances and to demonstrate the Authority's accountability for its resources. If you have questions about this report or need additional information, contact the Authority's Treasurer/Comptroller at Middlesex County Utilities Authority, P.O. Box 159, 2571 Main Street, Sayreville, New Jersey 08872.

MIDDLESEX COUNTY UTILITIES AUTHORITY

STATEMENT OF NET POSITION  
DECEMBER 31, 2022

	Supplementary Information			Consolidated
	Wastewater Division	Solid Waste Division	Eliminations	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>Unrestricted Current Assets</b>				
Cash and cash equivalents	\$ 18,135,539	\$ 57,050,289		\$ 75,185,828
Investments	7,450,000			7,450,000
Annual charges receivable	1,818,299			1,818,299
Accounts receivable		4,583,283		4,583,283
Grants receivable	6,433,694			6,433,694
Due from Solid Waste Division	26,112		\$ (26,112)	
Due from Wastewater Division		193	(193)	
Other charges receivable	1,770,989			1,770,989
Interest receivable	7,271			7,271
Total unrestricted current assets	35,641,904	61,633,765	(26,305)	97,249,364
<b>Restricted Current Assets</b>				
Cash and cash equivalents	9,321,430	52,852,872		62,174,302
Investments	21,586,000	21,751,860		43,337,860
Investment in SRECs	245,321			245,321
Note receivable, Wastewater Division		10,349,347	(10,349,347)	
Trust accounts	124,720			124,720
Interest receivable	31,457	275,760		307,217
Cash held with bond trustee	6,176,369			6,176,369
Total restricted current assets	37,485,296	85,229,839	(10,349,347)	112,365,788
<b>Restricted Non Current Assets</b>				
Investments		44,302,736		44,302,736
Total restricted non current assets	-	44,302,736	-	44,302,736
<b>Deferred Outflows of Resources</b>				
Pension deferrals	5,692,255	1,004,515		6,696,770
Other post employment benefits deferrals	14,292,060	2,522,128		16,814,188
Total deferred outflows of resources	19,984,315	3,526,643	-	23,510,958
<b>Capital Assets</b>				
Depreciable assets	1,015,093,374	306,465,077		1,321,558,451
Less: accumulated depreciation and amortization	(490,559,609)	(271,662,921)		(762,222,530)
	524,533,765	34,802,156	-	559,335,921
Non-depreciable assets:				
Land	8,401,828	37,934,488		46,336,316
Construction in progress	15,337,543	38,398		15,375,941
Capital assets, net	548,273,136	72,775,042	-	621,048,178
Total assets and deferred outflows of resources	\$ 641,384,651	\$ 267,468,025	\$ (10,375,652)	\$ 898,477,024

See accompanying notes to basic financial statements.

MIDDLESEX COUNTY UTILITIES AUTHORITY

STATEMENT OF NET POSITION  
DECEMBER 31, 2022

	Supplementary Information			Consolidated
	Wastewater Division	Solid Waste Division	Eliminations	Total
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>				
<b>Current Liabilities Payable from Unrestricted Assets</b>				
Accounts payable - operations and payroll	\$ 14,170,315	\$ 3,124,575		\$ 17,294,890
Accrued expenses	81,350			81,350
Due to Solid Waste Division	193		\$ (193)	
Due to Wastewater Division		26,112	(26,112)	
Refunds due participants	3,603,003			3,603,003
Unearned service revenue		1,376,068		1,376,068
Total current liabilities payable from unrestricted assets	17,854,861	4,526,755	(26,305)	22,355,311
<b>Current Liabilities Payable from Restricted Assets</b>				
Contractors' retainages	166,725			166,725
Bonds payable - current portions	14,080,988	1,843,642		15,924,630
Liabilities for early retirement incentives - current portion	59,622			59,622
Accrued interest payable on bonds and notes	621,831	32,878		654,709
Total current liabilities payable from restricted assets	14,929,166	1,876,520	-	16,805,686
<b>Long-Term Liabilities Payable from Restricted Assets</b>				
Bonds payable, net	96,710,401	1,647,542		98,357,943
Net pension liability	29,038,664	5,124,470		34,163,134
Accrued closure and post-closure care liabilities		78,411,085		78,411,085
Note payable, Solid Waste Division	10,349,347		(10,349,347)	
Liability for other post employment benefits	85,071,202	15,012,565		100,083,767
NJIB construction loan	8,076,055			8,076,055
Liabilities for early retirement incentives	1,313,378			1,313,378
Funds held in escrow	185,505	1,554,264		1,739,769
Reserve for workers' compensation insurance claims	861,951	725,089		1,587,040
CPS/MCUA trust account	124,720			124,720
Total long-term liabilities payable from restricted assets	231,731,223	102,475,015	(10,349,347)	323,856,891
Total liabilities	264,515,250	108,878,290	(10,375,652)	363,017,888
<b>Deferred Inflows of Resources</b>				
Pension deferrals	4,533,065	799,952		5,333,017
Other post employment benefits deferrals	52,501,029	9,264,887		61,765,916
Deferred gain on defeasance of debt	1,043,305	46,769		1,090,074
Total deferred inflows of resources	58,077,399	10,111,608	-	68,189,007
<b>Net Position</b>				
Net investment in capital assets	442,614,811	69,237,089		511,851,900
Restricted:				
Restricted for environmental self-insurance		21,537,635		21,537,635
Total Restricted	-	21,537,635	-	21,537,635
Unrestricted - designated:				
Designated for future debt service	7,466,181			7,466,181
Designated for operations	200,000			200,000
Designated for future reconstruction and replacement	5,251,804	4,208,093		9,459,897
Designated for construction	1,146			1,146
Designated for liability insurance	2,308,288	2,925,915		5,234,203
Designated for auto insurance	302,421	195,948		498,369
Designated for unemployment claims	126,800			126,800
Designated for land acquisition and improvements		20,542,347		20,542,347
Designated for future contingencies		2,105,101		2,105,101
Designated for public liability insurance		2,123,654		2,123,654
Unrestricted undesignated (deficit)	(139,479,449)	25,602,345		(113,877,104)
	(123,822,809)	57,703,403	-	(66,119,406)
Total net position	318,792,002	148,478,127	-	467,270,129
Total liabilities, deferred inflows of resources and net position	\$ 641,384,651	\$ 267,468,025	\$ (10,375,652)	\$ 898,477,024

MIDDLESEX COUNTY UTILITIES AUTHORITY

STATEMENT OF NET POSITION  
DECEMBER 31, 2021

	Supplementary Information			Consolidated
	Wastewater Division	Solid Waste Division	Eliminations	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>Unrestricted Current Assets</b>				
Cash and cash equivalents	\$ 19,697,899	\$ 41,189,698		\$ 60,887,597
Investments	7,450,000			7,450,000
Annual charges receivable	1,396,558			1,396,558
Accounts receivable		4,702,146		4,702,146
Grant receivable	7,610,192			7,610,192
Due from Solid Waste Division	28,915		\$ (28,915)	
Other charges receivable	1,764,004			1,764,004
Prepaid expenses	604,627			604,627
Interest receivable	909			909
Total unrestricted current assets	38,553,104	45,891,844	(28,915)	84,416,033
<b>Restricted Current Assets</b>				
Cash and cash equivalents	34,412,213	51,723,470		86,135,683
Investments	4,001,000	33,515,790		37,516,790
Note receivable, Wastewater Division		11,349,347	(11,349,347)	
Due from Wastewater Division		1,955,212	(1,955,212)	
Trust accounts	124,440			124,440
Interest receivable	21,682	209,112		230,794
Cash held with bond trustee	2,100,665			2,100,665
Total restricted current assets	40,660,000	98,752,931	(13,304,559)	126,108,372
<b>Restricted Non Current Assets</b>				
Investments	2,280,167	28,032,879		30,313,046
Total restricted non current assets	2,280,167	28,032,879	-	30,313,046
<b>Deferred Outflows of Resources</b>				
Pension deferrals	3,764,599	664,340		4,428,939
Other post employment benefits deferrals	13,723,969	2,421,877		16,145,846
Total deferred outflows of resources	17,488,568	3,086,217	-	20,574,785
<b>Capital Assets</b>				
Depreciable assets	997,224,355	303,493,964		1,300,718,319
Less: accumulated depreciation and amortization	(460,699,915)	(267,865,520)		(728,565,435)
	536,524,440	35,628,444	-	572,152,884
Non-depreciable assets:				
Land	8,401,828	37,934,488		46,336,316
Construction in progress	9,259,791	1,342,311		10,602,102
Capital assets, net	554,186,059	74,905,243	-	629,091,302
Total assets and deferred outflows of resources	\$ 653,167,898	\$ 250,669,114	\$ (13,333,474)	\$ 890,503,538

See accompanying notes to basic financial statements.

MIDDLESEX COUNTY UTILITIES AUTHORITY

STATEMENT OF NET POSITION  
DECEMBER 31, 2021

	Supplementary Information			Consolidated
	Wastewater Division	Solid Waste Division	Eliminations	Total
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>				
<b>Current Liabilities Payable from Unrestricted Assets</b>				
Accounts payable - operations and payroll	\$ 11,954,673	\$ 3,482,378		\$ 15,437,051
Accrued expenses	770,631	171,986		942,617
Due to Wastewater Division		28,915	\$ (28,915)	
Refunds due participants	3,329,104			3,329,104
Unearned service revenue		1,464,708		1,464,708
Total current liabilities payable from unrestricted assets	16,054,408	5,147,987	(28,915)	21,173,480
<b>Current Liabilities Payable from Restricted Assets</b>				
Contractors' retainages	165,620			165,620
Bonds payable - current portions	13,855,516	1,777,642		15,633,158
Liabilities for early retirement incentives - current portions	50,720			50,720
Accrued interest payable on bonds and notes	710,966	48,359		759,325
Total current liabilities payable from restricted assets	14,782,822	1,826,001	-	16,608,823
<b>Long-Term Liabilities Payable from Restricted Assets</b>				
Bonds payable, net	110,791,389	3,518,183		114,309,572
Net pension liability	21,564,691	3,805,534		25,370,225
Accrued closure and post-closure care liabilities		73,970,101		73,970,101
Note payable, Solid Waste Division	11,349,347		(11,349,347)	
Due to Solid Waste Division	1,955,212		(1,955,212)	
Liability for other post employment benefits	106,669,965	18,824,111		125,494,076
NJIB State Assistance Infrastructure Loans	2,040,815			2,040,815
Liabilities for early retirement incentives	1,373,000			1,373,000
Funds held in escrow	187,265	1,399,330		1,586,595
Reserve for workers' compensation insurance claims	784,237	736,755		1,520,992
CPS/MCUA trust account	124,440			124,440
Total long-term liabilities payable from restricted assets	256,840,361	102,254,014	(13,304,559)	345,789,816
Total liabilities	287,677,591	109,228,002	(13,333,474)	383,572,119
<b>Deferred Inflows of Resources</b>				
Pension deferrals	13,512,253	2,384,516		15,896,769
Other post employment benefits deferrals	42,284,679	7,462,002		49,746,681
Deferred gain on defeasance of debt	1,275,598	76,308		1,351,906
Total deferred inflows of resources	57,072,530	9,922,826	-	66,995,356
<b>Net Position</b>				
Net investment in capital assets	430,364,221	69,533,110		499,897,331
Restricted:				
Restricted for environmental self-insurance		23,445,452		23,445,452
Total Restricted	-	23,445,452	-	23,445,452
Unrestricted - designated:				
Designated for future debt service	7,450,056			7,450,056
Designated for operations	200,000			200,000
Designated for future reconstruction and replacement	4,717,999	3,682,536		8,400,535
Designated for construction	1,146			1,146
Designated for liability insurance	2,348,447	2,916,243		5,264,690
Designated for auto insurance	299,964	199,025		498,989
Designated for unemployment claims	124,176			124,176
Designated for land acquisition and improvements		20,542,346		20,542,346
Designated for future contingencies		2,092,423		2,092,423
Designated for public liability insurance		2,110,852		2,110,852
Unrestricted undesignated (deficit)	(137,088,232)	6,996,299		(130,091,933)
Total net position	(121,946,444)	38,539,724	-	(83,406,720)
Total net position	308,417,777	131,518,286	-	439,936,063
Total liabilities, deferred inflows of resources and net position	\$ 653,167,898	\$ 250,669,114	\$ (13,333,474)	\$ 890,503,538

MIDDLESEX COUNTY UTILITIES AUTHORITY

STATEMENT OF REVENUES AND EXPENSES  
YEAR ENDED DECEMBER 31, 2022

	Supplementary Information			Consolidated
	Wastewater Division	Solid Waste Division	Eliminations	Total
<b>Operating Revenues</b>				
Annual charges	\$ 85,472,052			\$ 85,472,052
Tipping fees		\$ 39,023,815		39,023,815
Soil program income		11,470,794		11,470,794
Treatment of septic tank waste	399,979			399,979
Service fees, review of plans, etc.	22,725			22,725
Permit fees, industrial pretreatment	31,075			31,075
Service fee income		1,239,872		1,239,872
Management fees	1,980,000		\$ (1,980,000)	
Analytical services	96,961			96,961
Groundwater discharge fees	778,392			778,392
Sale of synthetic soil	347,908		(347,908)	
Sale of landfill gas	4,032,654			4,032,654
Penalty assessments	159,600			159,600
Linde	2,032,901			2,032,901
Electric Generation	917,111			917,111
Effluent reuse sales	742,513			742,513
Miscellaneous income	602,891	172,593		775,484
Total operating revenues	97,616,762	51,907,074	(2,327,908)	147,195,928
<b>Operating Expenses</b>				
Salaries and wages	17,339,886	3,462,325		20,802,211
Administration	3,801,469	6,857,853	(1,980,000)	8,679,322
Landfill		16,411,160	(347,908)	16,063,252
Central treatment plant	32,591,721			32,591,721
Sayreville pumping station	1,386,746			1,386,746
Edison pumping station	341,985			341,985
Bound Brook pumping station	55,219			55,219
Green Brook pumping station	73,711			73,711
South Amboy pumping station	148,511			148,511
Lines, meters and small pumping stations	1,453,660			1,453,660
WWT - administrative fee	257,970	34,335		292,305
Closure reserve fees		2,397,927		2,397,927
Depreciation	29,859,694	3,797,401		33,657,095
Total operating expenses	87,310,572	32,961,001	(2,327,908)	117,943,665
Operating income	10,306,190	18,946,073	-	29,252,263
<b>Nonoperating Revenues (Expenses)</b>				
Interest on investments and deposits	119,843	616,956		736,799
Interest on investments (reconstruction and replacement)	33,805			33,805
Interest on investments (other restricted accounts)	107,520			107,520
Amortization of gain on defeasance	232,292	29,538		261,830
Amortization of original issue premium on bonds	171,803	43,160		214,963
Hurricane loss	(846)			(846)
Interest on bonds and notes	(1,621,953)	(101,578)		(1,723,531)
Other interest expense	(105,031)			(105,031)
FEMA grant revenue	1,130,602			1,130,602
Total nonoperating revenues (expenses), net	68,035	588,076	-	656,111
Change in net position prior to net decrease in fair value of investments	10,374,225	19,534,149	-	29,908,374
Net decrease in the fair value of investments	-	(2,574,308)	-	(2,574,308)
Change in net position	\$ 10,374,225	\$ 16,959,841	\$ -	\$ 27,334,066

See accompanying notes to basic financial statements.

MIDDLESEX COUNTY UTILITIES AUTHORITY

STATEMENT OF REVENUES AND EXPENSES  
YEAR ENDED DECEMBER 31, 2021

	Supplementary Information			Consolidated
	Wastewater Division	Solid Waste Division	Eliminations	Total
<b>Operating Revenues</b>				
Annual charges	\$ 83,776,521			\$ 83,776,521
Tipping fees		\$ 40,637,869		40,637,869
Soil program income		10,437,827		10,437,827
Treatment of septic tank waste	370,402			370,402
Service fees, review of plans, etc.	3,000			3,000
Permit fees, industrial pretreatment	28,500			28,500
Service fee income		1,589,767		1,589,767
Management fees	2,064,000		\$ (2,064,000)	
Analytical services	45,058			45,058
Groundwater discharge fees	976,863			976,863
Sale of synthetic soil	382,659		(382,659)	
Sale of landfill gas	1,180,154			1,180,154
Penalty assessments	85,600			85,600
Praxair	2,066,062			2,066,062
PSE&G - REC credit income	727,382			727,382
Effluent reuse sales	601,359			601,359
Miscellaneous income	527,840	59,555		587,395
Total operating revenues	92,835,400	52,725,018	(2,446,659)	143,113,759
<b>Operating Expenses</b>				
Salaries and wages	16,985,775	3,452,987		20,438,762
Administration	4,212,301	6,994,473	(2,064,000)	9,142,774
Landfill		16,735,467	(382,659)	16,352,808
Central treatment plant	28,074,785			28,074,785
Sayreville pumping station	740,603			740,603
Edison pumping station	514,411			514,411
Bound Brook pumping station	31,506			31,506
Green Brook pumping station	64,028			64,028
South Amboy pumping station	122,332			122,332
Lines, meters and small pumping stations	957,074			957,074
WWT - administrative fee	303,375	34,335		337,710
DEP fees	187,460			187,460
Closure reserve fees		1,697,678		1,697,678
Depreciation	27,881,243	2,960,178		30,841,421
Total operating expenses	80,074,893	31,875,118	(2,446,659)	109,503,352
Operating income	12,760,507	20,849,900	-	33,610,407
<b>Nonoperating Revenues (Expenses)</b>				
Interest on investments and deposits	25,268	333,892	(157,234)	201,926
Interest on investments (reconstruction and replacement)	6,525			6,525
Interest on investments (other restricted accounts)	67,790			67,790
Amortization of gain on defeasance	251,264	29,538		280,802
Amortization of original issue premium on bonds	193,299	43,160		236,459
Hurricane loss	(44,900)			(44,900)
Interest on bonds and notes	(1,631,797)	(138,387)		(1,770,184)
Bond issuance costs	(56,890)			(56,890)
Other interest expense	(117,786)			(117,786)
Related party interest	(157,234)		157,234	
FEMA grant revenue	3,903,759			3,903,759
Total nonoperating revenues (expenses), net	2,439,298	268,203	-	2,707,501
Change in net position prior to net decrease in fair value of investments	15,199,805	21,118,103	-	36,317,908
Net decrease in the fair value of investments	-	(1,079,922)	-	(1,079,922)
Change in net position	\$ 15,199,805	\$ 20,038,181	\$ -	\$ 35,237,986

See accompanying notes to basic financial statements.

MIDDLESEX COUNTY UTILITIES AUTHORITY

STATEMENT OF CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31, 2022 AND 2021

	Wastewater Division			Solid Waste Division			Total	
	Net Investment in Capital Assets	Unrestricted	Wastewater Division Net Position	Net Investment in Capital Assets	Restricted	Unrestricted		Solid Waste Division Net Position
<b>Balance, December 31, 2020</b>	\$ 441,760,024	\$ (148,542,052)	\$ 293,217,972	\$ 67,053,726	\$ 23,363,627	\$ 21,062,752	\$ 111,480,105	\$ 404,698,077
Change in net position	(23,850,466)	39,050,271	15,199,805	(2,887,480)	81,825	22,843,836	20,038,181	35,237,986
Depreciation charged to capital contributions	(3,586,214)	3,586,214						
Interfund transfers	16,040,877	(16,040,877)		5,366,864		(5,366,864)		
<b>Balance, December 31, 2021</b>	430,364,221	(121,946,444)	308,417,777	69,533,110	23,445,452	38,539,724	131,518,286	439,936,063
Change in net position	(25,869,386)	36,243,611	10,374,225	(3,724,702)	131,872	20,552,671	16,959,841	27,334,066
Depreciation charged to capital contributions	(3,586,214)	3,586,214						
Interfund transfers	41,706,190	(41,706,190)		3,428,681	(2,039,689)	(1,388,992)		
<b>Balance, December 31, 2022</b>	<u>\$ 442,614,811</u>	<u>\$ (123,822,809)</u>	<u>\$ 318,792,002</u>	<u>\$ 69,237,089</u>	<u>\$ 21,537,635</u>	<u>\$ 57,703,403</u>	<u>\$ 148,478,127</u>	<u>\$ 467,270,129</u>

See accompanying notes to basic financial statements.

MIDDLESEX COUNTY UTILITIES AUTHORITY

STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022

	Supplementary Information			Consolidated
	Wastewater Division	Solid Waste Division	Eliminations	Total
<b>Cash Flows from Operating Activities</b>				
Cash received from customers and miscellaneous income from vendors	\$ 98,615,363	\$ 51,731,068		\$ 150,346,431
Cash payments for goods and services	(53,591,003)	(24,516,461)		(78,107,464)
Cash payments to employees	(17,638,070)	(3,462,325)		(21,100,395)
Net cash provided by operating activities	27,386,290	23,752,282	-	51,138,572
<b>Cash Flows from NonCapital Financing Activities</b>				
Payments of early retirement incentive liabilities	(50,720)			(50,720)
Advances from Wastewater Division to Solid Waste Division - unrestricted	2,610	(2,610)		
Net cash (used in) noncapital financing activities	(48,110)	(2,610)	-	(50,720)
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of property, plant and equipment and construction in progress	(23,946,771)	(1,303,084)		(25,249,855)
Cash paid for interest on bonds and related party debt	(1,816,119)	(117,058)		(1,933,177)
Repayment of NJIB construction loan	(2,040,815)			(2,040,815)
Cash received from FEMA	2,307,100			2,307,100
Cash payments for goods and services - Hurricane	(846)			(846)
Note repayments from Wastewater Division to Solid Waste Division - restricted	(1,955,212)		\$ (1,955,212)	(3,910,424)
Repayment from Wastewater Division to Solid Waste Division - restricted	(1,000,000)	1,000,000		
Payments of bonds payable	(13,683,715)	(1,761,482)		(15,445,197)
Net cash (used in) capital and related financing activities	(42,136,378)	(2,181,624)	(1,955,212)	(46,273,214)
<b>Cash Flows from Investing Activities</b>				
Cash received from interest	245,031	550,309		795,340
Redemption of investments	6,281,167	155,450,548		161,731,715
Purchase of investments	(21,586,000)	(162,534,124)		(184,120,124)
Funded reserves	1,000,000			1,000,000
Increase in renewable energy credits generated and unsold	245,321			245,321
Note repayments from Wastewater Division to Solid Waste Division		1,955,212	1,955,212	3,910,424
Cash received from bond trustee	1,959,536			1,959,536
Net cash (used in) provided by investing activities	(11,854,945)	(4,578,055)	1,955,212	(14,477,788)
(Decrease) Increase in cash and cash equivalents	(26,653,143)	16,989,993		(9,663,150)
<b>Cash and Cash Equivalents, Beginning of Year</b>	54,110,112	92,913,168		147,023,280
<b>Cash and Cash Equivalents, End of Year</b>	\$ 27,456,969	\$ 109,903,161	\$ -	\$ 137,360,130
<b>Summary of Cash and Cash Equivalents, End of Year</b>				
Unrestricted cash and cash equivalents	\$ 18,135,539	\$ 57,050,289		\$ 75,185,828
Restricted cash and cash equivalents	9,321,430	52,852,872		62,174,302
	\$ 27,456,969	\$ 109,903,161	\$ -	\$ 137,360,130
<b>Non-cash Financing and Investing activities</b>				
Issuance of bonds payable:				
Increase in due from bond trustee	\$ 6,035,240	\$ -	\$ -	\$ 6,035,240

MIDDLESEX COUNTY UTILITIES AUTHORITY

STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022

	Supplementary Information			Consolidated
	Wastewater Division	Solid Waste Division	Eliminations	Total
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating income	\$ 10,306,190	\$ 18,946,073		\$ 29,252,263
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	29,859,694	3,797,401		33,657,095
Non-cash portion of change in net pension liability and related deferrals	(3,432,871)	(605,803)		(4,038,674)
Non-cash portion of change in other post employment benefits deferrals	10,198,820	1,341,472		11,540,292
Changes in operating assets and liabilities:				
Decrease (increase) in receivables and other assets:				
Unrestricted accounts	175,901	118,863		294,764
Restricted accounts	(280)			(280)
(Decrease) increase in liabilities:				
Payable from unrestricted assets	1,800,260	(618,429)		1,181,831
Payable from restricted assets	1,105	4,440,984		4,442,089
Funds held in escrow	(1,760)	154,934		153,174
Other liabilities	(21,520,769)	(3,823,213)		(25,343,982)
Net cash provided by operating activities	\$ 27,386,290	\$ 23,752,282	\$ -	\$ 51,138,572

MIDDLESEX COUNTY UTILITIES AUTHORITY

STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2021

	Supplementary Information			Consolidated
	Wastewater Division	Solid Waste Division	Eliminations	Total
<b>Cash Flows from Operating Activities</b>				
Cash received from customers and miscellaneous income from vendors	\$ 94,121,914	\$ 51,688,129		\$ 145,810,043
Cash payments for goods and services	(49,595,269)	(23,917,405)		(73,512,674)
Cash payments to employees	(16,955,355)	(3,452,987)		(20,408,342)
Net cash provided by operating activities	27,571,290	24,317,737		51,889,027
<b>Cash Flows from NonCapital Financing Activities</b>				
Payments of early retirement incentive liabilities	(140,285)			(140,285)
Advances from Solid Waste Division to Wastewater Division - unrestricted	49,409	(49,409)		
Net cash (used in) noncapital financing activities	(90,876)	(49,409)		(140,285)
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of property, plant and equipment and construction in progress	(23,005,143)	(3,632,382)		(26,637,525)
Cash paid for interest on bonds and related party debt	(2,286,710)	(153,422)	\$ (324,028)	(2,764,160)
Proceeds from issuance of bonds	19,029,738			
Repayment of NJIB construction loan	(10,018,681)			(10,018,681)
Cash received from FEMA	2,446,424			2,446,424
Cash payments for goods and services - Hurricane	(44,900)			(44,900)
Note repayments from Wastewater Division to Solid Waste Division - restricted	(274,308)		274,308	
Repayment from Wastewater Division to Solid Waste Division - restricted	(180,653)	180,653		
Cash received from NJEIT	1,822,392			1,822,392
Payments of bonds payable	(13,472,029)	(1,734,482)		(15,206,511)
Net cash (used in) provided by capital and related financing activities	(25,983,870)	(5,339,633)	(49,720)	(50,402,961)
<b>Cash Flows from Investing Activities</b>				
Cash received from interest	96,517	679,122	324,028	1,099,667
Redemption of investments	9,731,167	53,718,390		63,449,557
Purchase of investments	(13,731,167)	(53,730,460)		(67,461,627)
Note repayments from Wastewater Division to Solid Waste Division		274,308	(274,308)	
Cash received from bond trustee	3,139,408			3,139,408
Net cash provided by (used in) investing activities	(764,075)	941,360	49,720	227,005
Increase in cash and cash equivalents	732,469	19,870,055		20,602,524
<b>Cash and Cash Equivalents, Beginning of Year</b>	53,377,643	73,043,113		126,420,756
<b>Cash and Cash Equivalents, End of Year</b>	\$ 54,110,112	\$ 92,913,168	\$ -	\$ 147,023,280
<b>Summary of Cash and Cash Equivalents, End of Year</b>				
Unrestricted cash and cash equivalents	\$ 19,697,899	\$ 41,189,698	\$ -	\$ 60,887,597
Restricted cash and cash equivalents	34,412,213	51,723,470	-	86,135,683
	\$ 54,110,112	\$ 92,913,168	\$ -	\$ 147,023,280
<b>Non-cash Financing and Investing activities</b>				
Issuance of bonds payable:				
Premium on bonds	\$ 307,967	\$ -	\$ -	\$ 307,967
Bond issuance costs	\$ 56,890	\$ -	\$ -	\$ 56,890
Increase in due from bond trustee	\$ 2,040,816	\$ -	\$ -	\$ 2,040,816

See accompanying notes to basic financial statements.

MIDDLESEX COUNTY UTILITIES AUTHORITY

STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2021

	Supplementary Information			Consolidated
	Wastewater Division	Solid Waste Division	Eliminations	Total
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating income	\$ 12,760,507	\$ 20,849,900	\$ -	\$ 33,610,407
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	27,881,243	2,960,178		30,841,421
Non-cash portion of change in net pension liability and related deferrals	(4,234,382)	(747,244)		(4,981,626)
Non-cash portion of change in other post employment benefits deferrals	(12,763,095)	(2,252,312)		(15,015,407)
Changes in operating assets and liabilities:				
(Increase) decrease in receivables and other assets:				
Unrestricted accounts	1,560,271	(1,405,450)		154,821
Restricted accounts	(246)			(246)
Increase (decrease) in liabilities:				
Payable from unrestricted assets	(2,147,768)	1,213,549		(934,219)
Payable from restricted assets	247	2,878,233		2,878,480
Funds held in escrow	21,929	(28,701)		(6,772)
Other liabilities	4,492,584	849,584		5,342,168
Net cash provided by operating activities	\$ 27,571,290	\$ 24,317,737	\$ -	\$ 51,889,027

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 1 – Organization:**

The Middlesex County Utilities Authority (the "Authority") is a public body, politic and corporate of the State of New Jersey. As a public body under existing statute, the Authority is exempt from both federal and state income taxes.

The Authority has two divisions: the Solid Waste Division and the Wastewater Division. The two divisions are operated as separate enterprises with the assets, deferred outflows and inflows of resources, liabilities, net position, revenues and expenses and cash flows of each segregated from the other. Certain common expenses are allocated between the divisions.

***The Solid Waste Division*** - The Solid Waste Division commenced landfill operations on January 1, 1988, and is responsible for the implementation of the principal elements of the County's Solid Waste Management Plan.

***The Wastewater Division*** - The Wastewater Division is authorized and empowered to construct, maintain and operate sewage and sludge treatment facilities and to issue revenue bonds payable from the annual charges collected from the Wastewater Division's participants. Such sewer revenue bonds are collateralized solely by revenues derived from the operation of the Wastewater Division and have no lien or claim upon any of the assets or revenues of the Solid Waste Division.

**Note 2 – Summary of Significant Accounting Policies:**

***General Statement*** – The accounting and reporting policies of the Authority included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America as applicable to local governments. Accounting principles generally accepted in the United States of America for local governments include those principles prescribed by the Governmental Accounting Standards Board (the "GASB").

***Basis of Presentation*** – The financial statements of the Authority have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America applicable to proprietary funds as defined by GASB.

***Estimates and Uncertainties*** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows and inflows of resources, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates.

***Operating Revenues and Expenses*** – Operating revenues for the Wastewater Division result from providing wastewater treatment services which are principally derived from billings to customers. Operating expenses for these operations include all costs related to providing the services. All other Wastewater Division revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 2 – Summary of Significant Accounting Policies (continued):**

Operating revenues for the Solid Waste Division result from providing landfill operations which are principally derived from fees generated when customers unload solid waste at the landfill. Operating expenses for these operations include all costs related to providing the services. All other Solid Waste Division revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

**Cash Equivalents** – Cash equivalents include certificates of deposit and amounts held in select escrow accounts at brokerages. The Authority considers investments with original maturities of three months or less at the date of purchase to be cash equivalents. For purposes of the statement of cash flows, the Authority considers all currency demand deposits and money market accounts with banks or other financial institutions to be cash equivalents.

**Restricted Assets** – Restricted assets consist of funds provided from issuance of bonds and/or revenues and are restricted for specific purposes under the resolution authorizing the issuance of the bonds or the respective Division’s budget. Restricted assets were as follows:

	December 31,	
	2022	2021
<b><u>Wastewater Division:</u></b>		
Restricted Funds	\$ 31,184,207	\$ 40,715,062
Trust accounts	124,720	124,440
Cash held with bond trustee	6,176,369	2,100,665
	37,485,296	42,940,167
 <b><u>Solid Waste Division:</u></b>		
Acquisition or construction of property, plant and equipment and related improvements	\$ 22,590,220	\$ 22,018,981
Landfill closure and post-closure	75,772,642	73,905,967
Future contingencies	29,613,341	29,461,060
Funds held in escrow	1,556,372	1,399,802
	129,532,575	126,785,810
 Total	 \$ 167,017,871	 \$ 169,725,977

**Investments** – Wastewater Division investments consist of certificates of deposit, which are purchased with the intent to hold to maturity and U.S. Government obligations which are purchased with the intent to hold to maturity. Solid Waste Division investments consist of certificates of deposit, which are purchased with the intent to hold to maturity and U.S. Government obligations which are purchased with the intent to hold to maturity. All investments are stated at fair value.

**Accounts Receivable and Annual Charges Receivable** – The Authority carries its annual charges receivable and accounts receivable at cost less an allowance for doubtful accounts. Generally, the Authority does not require collateral to support its receivables. On a periodic basis, the Authority evaluates its annual charges receivable and accounts receivable and establishes an allowance for doubtful accounts based on history of past write-offs, collections and current credit conditions. Charges are written off as uncollectible when management determines that a sufficient period of time has elapsed without receiving payment and the customers do not exhibit the ability to meet their obligations. No allowance for doubtful accounts was required at December 31, 2022 or 2021.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 2 – Summary of Significant Accounting Policies (continued):**

**Refunds Due Participants** – Certain Wastewater Division customers choose to receive refunds on overpayments of estimated charges rather than taking credits against future invoices. These amounts are determined and agreed to on an annual basis.

**Unearned Service Revenue** – Receipts received from Solid Waste Division customers for service fees prior to being earned are recorded as unearned service revenue.

**Capital Assets** – Property, plant and equipment are stated at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value on the date of acquisition. For the Wastewater Division, system construction costs are charged to construction in progress until such time that the specific segments of the system are completed and put into operation. For the Solid Waste Division, landfill improvements are amortized based on the units of airspace used during the year.

Depreciation is computed on a straight-line basis over the following estimated useful lives:

	<b>Years</b>
Building and improvements	20-75
Improvements other than buildings:	
Sewer mains and interceptors	75
Pump stations	40
Other improvements	15 - 40
Landfill gas collection facility	20
Machinery and equipment	10 - 20
Vehicles	5
Furniture and fixtures	3 - 20

**Insurance Reserves** – The Authority self-insures for a portion of the losses that could arise during the normal course of operations, such as losses from general liability, collision losses and workers’ compensation claims. The Authority’s policy is to set up funded reserves for claims that may arise and to purchase commercial insurance to cover the liability for claims in excess of self-insured amounts.

**Long-Term Obligations** – Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium. At December 31, 2022 and 2021, the balance of unamortized original issue premiums were as follows:

	December 31,	
	2022	2021
Wastewater Division	\$ 1,873,258	\$ 2,045,058
Solid Waste Division	82,722	125,881
	\$ 1,955,980	\$ 2,170,939

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 2 – Summary of Significant Accounting Policies (continued):**

Amortization expense for the years ended December 31, 2022 and 2021 was as follows:

	December 31,	
	2022	2021
Wastewater Division	\$ 171,803	\$ 193,299
Solid Waste Division	43,160	43,160
	\$ 214,963	\$ 236,459

**Accrued Closure and Post-Closure Care Liabilities (Solid Waste Division)** – Landfill site closure and post-closure care liabilities are accrued based on estimates of closure and post-closure costs to be incurred and units of airspace filled during the period.

**Deferred Outflows / Inflows of Resources** – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense / expenditure) until then. The Authority has two items that qualify for reporting in this category, deferred amounts related to pensions and other post employment benefits.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has three items that qualify for reporting in this category, deferred amounts related to pensions and other post employment benefits and deferred gain on defeasance of debt.

**Recent Pronouncements** – The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021. Management has reviewed the requirement of the statement and has determined that it did not have a material impact on the financial statements.

The GASB issued Statement No. 91, *Conduit Debt Obligations* in May 2019. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2021. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 2 – Summary of Significant Accounting Policies (continued):**

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. This Statement provides guidance on the requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 which are effective immediately upon issuance. Additionally, the Statement provides guidance related to leases, PPPs, and SBITAs which are effective for periods beginning after June 15, 2022. Lastly, the Statement provides guidance related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 which is effective for periods beginning after June 15, 2023. Management has not yet determined the impact of this Statement on the financial statements.

**Postemployment Benefits Other Than Pensions (OPEB)** - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Middlesex County Joint Health Insurance Fund (MCJHIF) and additions to/deductions from MCJHIF's net position have been determined on the same basis as they are reported by MCJHIF.

**Subsequent Events** - Management has reviewed and evaluated all events and transactions from December 31, 2022 through September 22, 2023, the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at the statement of net position date have been recognized in the accompanying financial statements.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 3 – Cash and Cash Equivalents:**

The components of cash and cash equivalents are as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<b><u>December 31, 2022</u></b>			
Wastewater Division:			
Cash on deposit	\$ 10,574,179	\$ 7,063,257	\$ 17,637,436
Cash equivalents	7,561,360	2,258,173	9,819,533
	<u>18,135,539</u>	<u>9,321,430</u>	<u>27,456,969</u>
Solid Waste Division:			
Cash on deposit	57,050,289	22,353,097	79,403,386
Cash equivalents	-	30,499,776	30,499,776
	<u>57,050,289</u>	<u>52,852,873</u>	<u>109,903,162</u>
Total	<u>\$ 75,185,828</u>	<u>\$ 62,174,303</u>	<u>\$ 137,360,131</u>
<b><u>December 31, 2021</u></b>			
Wastewater Division:			
Cash on deposit	\$ 6,683,899	\$ 18,184,213	\$ 24,868,112
Cash equivalents	13,014,000	16,228,000	29,242,000
	<u>19,697,899</u>	<u>34,412,213</u>	<u>54,110,112</u>
Solid Waste Division:			
Cash on deposit	41,189,698	46,819,470	88,009,168
Cash equivalents	-	4,904,000	4,904,000
	<u>41,189,698</u>	<u>51,723,470</u>	<u>92,913,168</u>
Total	<u>\$ 60,887,597</u>	<u>\$ 86,135,683</u>	<u>\$ 147,023,280</u>

New Jersey statutes and the Authority's General Bond Resolution permit the deposit of public funds only in banks that meet the requirements of the Governmental Unit Deposit Protection Act ("GUDPA") or the State of New Jersey Cash Management Fund. GUDPA requires that banks which accept public funds be a public depository. A "public depository" is defined as a state bank, a national bank, or a savings bank or association, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation ("FDIC"). A local unit may make deposits in, or purchase certificates of deposit from, banks which are located in New Jersey and which meet the requirements of GUDPA.

All bank deposits as of the statement of net position date are held in each respective Division's name by commercial banking institutions. At December 31, 2022 and 2021, the carrying amount of the each Division's deposits, bank balances and FDIC insured amounts were as follows:

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 3 – Cash and Cash Equivalents (continued):**

	December 31,	
	2022	2021
<u>Carrying amount of cash and cash equivalents:</u>		
Wastewater Division	\$ 27,456,969	\$ 54,110,112
Solid Waste Division	109,903,161	92,913,168
	\$ 137,360,130	\$ 147,023,280

	December 31,	
	2022	2021
<u>Bank balances:</u>		
Wastewater Division	\$ 48,294,677	\$ 62,837,556
Solid Waste Division	107,996,430	92,895,160
	\$ 156,291,107	\$ 155,732,716
 <u>Insured by FDIC:</u>		
Wastewater Division	\$ 500,000	\$ 500,000
Solid Waste Division	520,841	770,812
	\$ 1,020,841	\$ 1,270,812

Balances above the FDIC amount were insured through the GUDPA, N.J.S.A. 17:9-41 et seq., which insures all New Jersey governmental units' deposits in excess of Federal deposit insurance maximums.

*Custodial Credit Risk:* Pursuant to Governmental Accounting Standards Board Statement No. 40, *Deposits and Investment Risk Disclosures* ("GASB 40"), the Authority's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of a failure of the counterparty, the Authority would not be able to recover the value of its deposits on investments.) Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2022 and 2021, all of the Authority's deposits were collateralized by securities held by FDIC and the GUDPA collateral pool and, accordingly, are not exposed to Custodial Credit Risk.

The Authority's investment policy permits the investing of monies in the following types of investments:

- a) Any direct and general obligation of the United States of America.
- b) Negotiable or non-negotiable certificates of deposit issued by any bank, savings and loan association, or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Deposit Protection Act, N.J.S.A. 17:9-41 et seq.
- c) Deposits in the State of New Jersey Cash Management Fund.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 4 – Investments:**

The Authority's investments which are held in each Division's name on the records of the various financial institutions, are recorded at fair value and include the following:

	December 31,	
	2022	2021
<u>Wastewater Division</u>		
Certificates of deposit	\$ 29,036,000	\$ 13,731,167
	\$ 29,036,000	\$ 13,731,167
<u>Solid Waste Division</u>		
Certificates of deposit	\$ 3,386,312	\$ 2,077,533
United States Government Obligations:		
FNMA and FHLMC Obligations	17,969,725	15,540,346
US Treasury Notes	44,698,559	43,930,790
	\$ 66,054,596	\$ 61,548,669
Total	\$ 95,090,596	\$ 75,279,836

The amortized cost of the Wastewater Division's investment securities and their approximate fair values at December 31, 2022 and 2021 were as follows:

<b>Securities and certificates of deposit to be held to maturity:</b>	<b>Amortized Cost</b>	<b>Fair Value</b>
<u>December 31, 2022</u>		
Certificates of Deposit	\$ 29,036,000	\$ 29,036,000
<u>December 31, 2021</u>		
Certificates of Deposit	\$ 13,731,167	\$ 13,731,167

The amortized cost of the Solid Waste Division's investment securities and their approximate fair values at December 31, 2022 and 2021 were as follows:

<b>Securities and certificates of deposit to be held to maturity:</b>	<b>Amortized Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Fair Value</b>
<u>December 31, 2022</u>				
Certificates of Deposit	\$ 3,386,312	\$ -	\$ -	\$ 3,386,312
United States Government Obligations:				
FNMA and FHLMC Obligations	18,881,915	-	(912,190)	17,969,725
US Treasury Notes	46,424,813	-	(1,726,254)	44,698,559
	\$ 68,693,040	\$ -	\$ (2,638,444)	\$ 66,054,596
<u>December 31, 2021</u>				
Certificates of Deposit	\$ 2,077,533	\$ -	\$ -	\$ 2,077,533
United States Government Obligations:				
FNMA and FHLMC Obligations	15,710,559	297,657	(467,870)	15,540,346
US Treasury Notes	43,824,712	106,078		43,930,790
	\$ 61,612,804	\$ 403,735	\$ (467,870)	\$ 61,548,669

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 4 – Investments (continued):**

Investment ratings and contractual maturities of the Wastewater Division’s held-to-maturity debt securities and certificates of deposit at December 31, 2022 and 2021, are as follows:

<u>Investment Type</u>	<u>S&amp;P Ratings</u>	<u>December 31, 2022 Investment Maturities</u>			
		<u>Fair Value</u>	<u>Within 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>
Certificates of Deposit	N/A	\$ 29,036,000	\$ 29,036,000	\$ -	\$ -

  

<u>Investment Type</u>	<u>S&amp;P Ratings</u>	<u>December 31, 2021 Investment Maturities</u>			
		<u>Fair Value</u>	<u>Within 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>
Certificates of Deposit	N/A	\$ 13,731,167	\$ 13,731,167	\$ -	\$ -

Investment ratings and contractual maturities of the Solid Waste Division’s held-to-maturity debt securities and certificates of deposit at December 31, 2022 and 2021, are as follows:

<u>Investment Type</u>	<u>S&amp;P Ratings</u>	<u>December 31, 2022 Investment Maturities</u>			
		<u>Fair Value</u>	<u>Within 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>
Certificates of Deposit	N/A	\$ 3,386,312	\$ 750,062	\$ 2,636,250	\$ -
United States Government Obligations:					
FNMA and FHLMC Obligations	AA	17,969,725	6,717,793	11,251,932	-
US Treasury Notes	N/A	44,698,559	14,126,371	30,572,188	-
		<u>\$ 66,054,596</u>	<u>\$ 21,594,226</u>	<u>\$ 44,460,370</u>	<u>\$ -</u>

  

<u>Investment Type</u>	<u>S&amp;P Ratings</u>	<u>December 31, 2021 Investment Maturities</u>			
		<u>Fair Value</u>	<u>Within 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>
Certificates of Deposit	N/A	\$ 2,077,533	\$ 2,077,533	\$ -	\$ -
United States Government Obligations:					
FNMA and FHLMC Obligations	AA	15,540,346	8,395,103	7,145,243	-
US Treasury Notes	N/A	43,930,790	23,043,154	19,701,480	1,186,156
		<u>\$ 61,548,669</u>	<u>\$ 33,515,790</u>	<u>\$ 26,846,723</u>	<u>\$ 1,186,156</u>

Actual maturities may differ from contractual maturities because some borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

GASB 72 established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement.) The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 4 – Investments (continued):**

- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

- *Certificates of Deposit*: Valued at amortized cost, which approximates fair value.
- *FNMA and FHLMC Obligations*: Valued at the closing price reported on the active market in which the security is traded.
- *US Treasury Notes*: Valued at the closing price reported on the active market in which the security is traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Authority's assets at fair value as of December 31, 2022 and 2021:

	<b>Assets at Fair Value</b>	
	<b><u>as of December 31, 2022</u></b>	
	<u>Level 2</u>	<u>Total</u>
Wastewater Division:		
Certificates of Deposit	\$ 29,036,000	\$ 29,036,000
Solid Waste Division:		
Certificates of Deposit	3,386,312	3,386,312
FNMA and FHLMC Obligations	17,969,725	17,969,725
US Treasury Notes	<u>44,698,559</u>	<u>44,698,559</u>
Total	<u>\$ 95,090,596</u>	<u>\$ 95,090,596</u>

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 4 – Investments (continued):**

	<b>Assets at Fair Value as of December 31, 2021</b>	
	Level 2	Total
Wastewater Division:		
Certificates of Deposit	\$ 13,731,167	\$ 13,731,167
Solid Waste Division:		
Certificates of Deposit	2,077,533	2,077,533
FNMA and FHLMC Obligations	15,540,346	15,540,346
US Treasury Notes	43,930,790	43,930,790
Total	\$ 75,279,836	\$ 75,279,836

*Credit Risk:* The Authority does not have an investment policy regarding the management of credit risk, because it is the Authority's policy, pursuant to its bond resolutions, to only invest in securities that are obligations of the U.S. Government or securities guaranteed by the U.S. Government and certificates of deposit. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments, except for obligations of the U.S. Government or investments guaranteed by the U.S. Government.

*Interest Rate Risk:* The Authority only invests in securities of, or guaranteed by, the U.S. Government, which it generally holds until maturity, and in certificates of deposit. As such, management believes that they do not have a significant exposure to interest rate risk, therefore, the Authority does not have a policy to limit interest rate risk.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 5 – Capital Assets:**

Capital assets at December 31, 2022 and 2021 consist of the following:

	<b>December 31, 2022</b>		
	<b>Wastewater Division</b>	<b>Solid Waste Division</b>	<b>Total</b>
Depreciable:			
Landfill and landfill expansion, including initial preparatory cost	\$ -	\$ 241,597,650	\$ 241,597,650
Buildings and improvements	305,257,340	11,345,822	316,603,162
Improvements other than buildings	565,319,477	40,008,676	605,328,153
Machinery and equipment	53,652,566	13,512,929	67,165,495
Furniture and fixtures	170,056	-	170,056
Landfill gas collection facility	75,663,913	-	75,663,913
Landfill gas collection equipment	15,030,022	-	15,030,022
	1,015,093,374	306,465,077	1,321,558,451
Less: Accumulated depreciation and amortization	(490,559,609)	(271,662,921)	(762,222,530)
	524,533,765	34,802,156	559,335,921
Non-depreciable:			
Land	8,401,828	37,934,488	46,336,316
Construction in progress	15,337,543	38,398	15,375,941
	\$ 548,273,136	\$ 72,775,042	\$ 621,048,178

	<b>December 31, 2021</b>		
	<b>Wastewater Division</b>	<b>Solid Waste Division</b>	<b>Total</b>
Depreciable:			
Landfill and landfill expansion, including initial preparatory cost	\$ -	\$ 241,597,650	241,597,650
Buildings and improvements	305,009,391	11,345,822	316,355,213
Improvements other than buildings	553,172,155	38,127,694	591,299,849
Machinery and equipment	51,326,965	12,422,798	63,749,763
Furniture and fixtures	149,463	-	149,463
Landfill gas collection facility	72,536,359	-	72,536,359
Landfill gas collection equipment	15,030,022	-	15,030,022
	997,224,355	303,493,964	1,300,718,319
Less: Accumulated depreciation and amortization	(460,699,915)	(267,865,520)	(728,565,435)
	536,524,440	35,628,444	572,152,884
Non-depreciable:			
Land	8,401,828	37,934,488	46,336,316
Construction in progress	9,259,791	1,342,311	10,602,102
	\$ 554,186,059	\$ 74,905,243	\$ 629,091,302

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 5 – Capital Assets (continued):**

Depreciation expense for the years ended December 31, 2022 and 2021 was as follows:

	December 31,	
	2022	2021
Wastewater Division	\$ 29,859,695	\$ 27,881,243
Solid Waste Division	3,797,400	2,960,178
	\$ 33,657,095	\$ 30,841,421

Changes in capital assets for the years ended December 31, 2022 and 2021 were as follows:

	January 1, 2022	Increase	Transfers	December 31, 2022
<u>Wastewater Division:</u>				
Buildings and improvements	\$ 305,009,391	\$ 247,949	\$ -	\$ 305,257,340
Other improvements	553,172,155	12,147,322	-	565,319,477
Machinery and equipment	51,326,965	2,325,601	-	53,652,566
Furniture and fixtures	149,463	20,593	-	170,056
Landfill gas collection facility	72,536,359	3,127,554	-	75,663,913
Landfill gas collection equipment	15,030,022	-	-	15,030,022
	997,224,355	17,869,019	-	1,015,093,374
Less: Accumulated depreciation	(460,699,915)	(29,859,694)	-	(490,559,609)
	536,524,440	(11,990,675)	-	524,533,765
Land	8,401,828	-	-	8,401,828
Construction in progress	9,259,791	6,077,752	-	15,337,543
	\$ 554,186,059	\$ (5,912,923)	\$ -	\$ 548,273,136

	January 1, 2022	Increase	Transfers	Disposals	December 31, 2022
<u>Solid Waste Division:</u>					
Landfill and landfill expansion, including initial preparatory cost	\$ 241,597,650	\$ -	\$ -	\$ -	\$ 241,597,650
Buildings and improvements	11,345,823	-	-	-	11,345,823
Other improvements	38,127,693	199,133	1,706,427	(24,578)	40,008,675
Machinery and equipment	12,422,798	1,090,131	-	-	13,512,929
	303,493,964	1,289,264	1,706,427	(24,578)	306,465,077
Less: Accumulated depreciation	(267,865,520)	(3,797,401)	-	-	(271,662,921)
	35,628,444	(2,508,137)	1,706,427	(24,578)	34,802,156
Land	37,934,488	-	-	-	37,934,488
Construction in progress	1,342,311	402,514	(1,706,427)	-	38,398
	\$ 74,905,243	\$ (2,105,623)	\$ -	\$ (24,578)	\$ 72,775,042

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 5 – Capital Assets (continued):**

	<b>January 1, 2021</b>	<b>Increase</b>	<b>Transfers</b>	<b>December 31, 2021</b>
<u>Wastewater Division:</u>				
Buildings and improvements	\$ 177,981,346	\$ 506,807	\$ 126,521,238	\$ 305,009,391
Other improvements	501,980,938	2,504,611	48,686,606	553,172,155
Machinery and equipment	49,707,430	1,505,646	113,889	51,326,965
Furniture and fixtures	149,463	-	-	149,463
Landfill gas collection facility	67,958,982	4,577,377	-	72,536,359
Landfill gas collection equipment	13,753,353	1,276,669	-	15,030,022
	<u>811,531,512</u>	<u>10,371,110</u>	<u>175,321,733</u>	<u>997,224,355</u>
Less: Accumulated depreciation	(432,818,672)	(27,881,243)	-	(460,699,915)
	<u>378,712,840</u>	<u>(17,510,133)</u>	<u>175,321,733</u>	<u>536,524,440</u>
Land	8,401,828	-	-	8,401,828
Construction in progress	171,947,491	12,634,033	(175,321,733)	9,259,791
	<u>\$ 559,062,159</u>	<u>\$ (4,876,100)</u>	<u>\$ -</u>	<u>\$ 554,186,059</u>

	<b>January 1, 2021</b>	<b>Increase</b>	<b>Transfers</b>	<b>December 31, 2021</b>
<u>Solid Waste Division:</u>				
Landfill and landfill expansion, including initial preparatory cost	\$ 224,165,391	\$ -	\$ 17,432,259	\$ 241,597,650
Buildings and improvements	11,246,020	99,803	-	11,345,823
Other improvements	19,542,804	15,606	18,569,283	38,127,693
Machinery and equipment	10,588,077	1,834,721	-	12,422,798
	<u>265,542,292</u>	<u>1,950,130</u>	<u>36,001,542</u>	<u>303,493,964</u>
Less: Accumulated depreciation	(264,905,342)	(2,960,178)	-	(267,865,520)
	<u>636,950</u>	<u>(1,010,048)</u>	<u>36,001,542</u>	<u>35,628,444</u>
Land	55,366,747	-	(17,432,259)	37,934,488
Construction in progress	18,229,342	1,682,252	(18,569,283)	1,342,311
	<u>\$ 74,233,039</u>	<u>\$ 672,204</u>	<u>\$ -</u>	<u>\$ 74,905,243</u>

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 6 – New Jersey Infrastructure Bank Loans:**

During 2016, the Authority was approved for two New Jersey Infrastructure Bank (“NJIB”) Statewide Assistance Infrastructure Loans (“SAIL”) to fund two projects being operating by the Wastewater Division. The NJIB approved a loan for the Edison Pump Station for \$35,208,623 and a loan for the Sayreville Pump Station for \$87,953,113. The terms of these loans allow the Authority to receive funding from the NJIB on a drawdown basis as approved project expenditures are incurred. The loans do not bear interest during the drawdown period. These loans were retired during the years ended December 31, 2019 and 2021.

The Authority has been approved for reimbursement of a portion of these projects from the Federal Emergency Management Agency (“FEMA”) in amounts up to \$19,466,721 for the Edison Pump Station and \$71,751,350 for the Sayreville Pump Station. As the eligible expenditures are reimbursed by FEMA, the Authority used those funds to repay the NJIB for advances on the SAILS.

During 2021, the Authority was approved for a New Jersey Infrastructure Bank (“NJIB”) construction loan to fund an emergency project being operated by the Wastewater Division. The NJIB approved a loan for \$8,076,055. The approved drawdown for the Primary Tank Emergency Work in 2021 was \$2,040,815. The approved drawdown for the Final Clarifier Rehabilitation Phase 4 in 2022 was \$6,035,240. The term of this loan allows the Authority to receive funding from the NJIB on a drawdown basis as approved project expenditures are incurred. The loan does not bear interest during the drawdown period.

The following presents the changes in the loan balances from NJIB for the years ended December 31, 2022 and 2021, respectively:

	January 1, 2022	Additions	Retired	December 31, 2022
NJIB construction loan	\$ 2,040,815	\$ 6,035,240	\$ -	\$ 8,076,055
	\$ 2,040,815	\$ 6,035,240	\$ -	\$ 8,076,055
	\$ 2,040,815	\$ 6,035,240	\$ -	\$ 8,076,055
	January 1, 2021	Additions	Retired	December 31, 2021
NJIB construction loan	\$ -	\$ 2,040,815	\$ -	\$ 2,040,815
	\$ -	\$ 2,040,815	\$ -	\$ 2,040,815
	\$ -	\$ 2,040,815	\$ -	\$ 2,040,815

The Wastewater Division has recorded the reimbursement requests due from NJIB on the statement of net position as Cash Held with Bond Trustee.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 7 – Long-Term Liabilities:**

During the years ended December 31, 2022 and 2021 the following changes occurred in long-term liabilities:

	<b>January 1, 2022</b>	<b>Additions</b>	<b>Retired</b>	<b>December 31, 2022</b>	<b>Due Within One Year</b>
<b>Wastewater Division:</b>					
Bonds payable	\$ 122,601,847	\$ -	\$ 13,683,715	\$ 108,918,132	\$ 13,909,185
Unamortized original issue premium	2,045,064	-	171,807	1,873,257	171,803
	124,646,911	-	13,855,522	110,791,389	14,080,988
Net pension liability	21,564,691	7,473,973	-	29,038,664	-
Liability for other post employment benefits	106,669,965	-	21,598,763	85,071,202	-
Liability for early retirement incentives	1,423,720	-	50,720	1,373,000	59,622
NJIB construction loan	2,040,815	6,035,240		8,076,055	
	<u>\$ 256,346,102</u>	<u>\$ 13,509,213</u>	<u>\$ 35,505,005</u>	<u>\$ 234,350,310</u>	<u>\$ 14,140,610</u>
<b>Solid Waste Division:</b>					
Bonds payable	\$ 5,169,944	\$ -	\$ 1,761,482	\$ 3,408,462	\$ 1,800,482
Unamortized original issue premium	125,881	-	43,159	82,722	43,160
	5,295,825	-	1,804,641	3,491,184	1,843,642
Net pension liability	3,805,534	1,318,936	-	5,124,470	-
Liability for other post employment benefits	18,824,111	-	3,811,546	15,012,565	-
	<u>\$ 27,925,470</u>	<u>\$ 1,318,936</u>	<u>\$ 5,616,187</u>	<u>\$ 23,628,219</u>	<u>\$ 1,843,642</u>

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 7 – Long-Term Liabilities (continued):**

	January 1, 2021	Additions	Retired	December 31, 2021	Due Within One Year
<u>Wastewater Division:</u>					
Bonds payable	\$ 117,044,138	\$ 19,029,738	\$ 13,472,029	\$ 122,601,847	\$ 13,683,714
Unamortized original issue premium	1,930,390	307,967	193,299	2,045,058	171,802
	118,974,528	19,337,705	13,665,328	124,646,905	13,855,516
Net pension liability	29,460,880	-	7,896,189	21,564,691	-
Liability for other post employment benefits	102,504,982	4,164,983	-	106,669,965	-
Liability for early retirement incentives	1,564,005	-	140,285	1,423,720	50,720
NJIB construction loan	10,018,681	2,040,815	10,018,681	2,040,815	-
	<u>\$ 262,523,076</u>	<u>\$ 25,543,503</u>	<u>\$ 31,720,483</u>	<u>\$ 256,346,096</u>	<u>\$ 13,906,236</u>
<u>Solid Waste Division:</u>					
Bonds payable	\$ 6,904,426	\$ -	\$ 1,734,482	\$ 5,169,944	\$ 1,761,482
Unamortized original issue premium	169,041	-	43,160	125,881	43,160
	7,073,467	-	1,777,642	5,295,825	1,804,642
Net pension liability	5,198,979	-	1,393,445	3,805,534	-
Liability for other post employment benefits	18,089,115	734,996	-	18,824,111	-
	<u>\$ 30,361,561</u>	<u>\$ 734,996</u>	<u>\$ 3,171,087</u>	<u>\$ 27,925,470</u>	<u>\$ 1,804,642</u>

In May 2020, the Authority issued bonds to replace the loan payable to New Jersey Infrastructure Bank (“NJIB”) for the Sayreville Pump Station.

In June 2021, the Authority issued bonds to replace the loan payable to New Jersey Infrastructure Bank (“NJIB”) for the Main Trunk Sewer Rehab Phase II.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 7 – Long-Term Liabilities (continued):**

The following is a summary of bonds payable as of December 31, 2022 and 2021:

	December 31,	
	2022	2021
<u>Wastewater Division:</u>		
Issue of 2005A, N.J.I.B. Bonds (a)		
Federal portion	\$ 1,052,690	\$ 1,403,256
State portion	1,424,006	1,862,282
Issue of 2006, N.J.I.B. Bonds (b)		
Federal portion	8,097,798	10,249,750
State portion	11,489,000	14,026,073
Issue of 2009A, N.J.I.B. Bonds (c)		
Federal portion	3,306,280	3,801,147
State portion*	4,153,000	4,658,000
Issue of 2009 N.J.I.B. Bonds (d)		
Federal portion - D-1	1,553,173	1,775,054
State portion - C-1**	1,338,000	1,499,000
Issue of 2009 N.J.I.B. Bonds (e)		
Federal portion - D-2	4,327,586	4,945,813
State portion - C-2**	1,728,000	1,941,000
Issue of 2010 N.J.I.B. Bonds (f)		
Federal portion	2,348,746	2,642,339
State portion	2,598,000	2,857,000
Issue of 2014A N.J.I.B. Bonds (g)		
Federal portion	2,359,515	2,574,017
State portion	920,000	985,000
Issue of 2016A N.J.I.B. Bonds (h)		
Federal portion	9,889,900	10,670,007
State portion	3,631,167	3,851,167
Issue of 2019A N.J.I.B. Bonds (i)		
Federal portion	9,929,346	10,549,931
State portion	3,550,000	3,705,000
Issue of 2020A N.J.I.B. Bonds (j)		
Federal portion	13,967,927	14,789,569
State portion	4,835,000	5,025,000
Issue of 2021A N.J.I.B. Bonds (k)		
Federal portion	6,433,998	6,791,442
State portion	2,065,000	2,140,000
Solar Project (l)	7,920,000	9,860,000
	108,918,132	122,601,847
Current portion	13,909,185	13,683,714
Long-term portion	\$ 95,008,947	\$ 108,918,133

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 7 – Long-Term Liabilities (continued):**

	December 31,	
	2022	2021
<u>Solid Waste Division:</u>		
Issue of 2009A, N.J.I.B. bonds (m):		
Federal portion	\$ 1,418,462	\$ 2,242,944
State portion*	1,990,000	2,927,000
	3,408,462	5,169,944
Current portion	1,800,482	1,761,482
Long-term portion	\$ 1,607,980	\$ 3,408,462

\*This bond issue was refunded by the N.J.I.B. as part of the 2017A-R1 refunding series on January 17, 2017. The refunding savings is described in the respective footnote below and on the following page for each bond issue which was refunded.

\*\*These bond issues were refunded by the N.J.I.B. as part of the 2017A-R2 refunding series on January 17, 2017. The refunding savings is described in the respective footnote below and on the following page for each bond issue which was refunded.

- a. Bonds payable in two separate portions. The Federal portion is payable in semiannual principal amounts totaling approximately \$350,000 and does not bear interest. The state portion bears interest at rates ranging from 4.00% to 4.50% per annum and is payable in annual installments that range from a current amount of approximately \$374,000 to \$493,000 through August 2025. Current portion as of December 31, 2022 is \$805,114.
- b. Bonds payable in two separate portions. The Federal portion is payable in semiannual principal amounts totaling approximately \$2,024,000, and does not bear interest. The state portion bears interest at rates ranging from 4.00% to 5.00% per annum and is payable in annual installments that range from approximately \$2,277,000 to \$3,024,000 through August 2026. Current portion as of December 31, 2022 is \$4,794,224.
- c. Bonds payable in two separate portions. The Federal portion is payable in semiannual principal amounts totaling approximately \$495,000, and does not bear interest. The state portion bears interest at rates ranging from 3.50% to 5.00% per annum. The state portion of the bonds are payable in annual installments that range from the current amount of \$526,000, increasing annually to \$665,000 through August 2029. Amounts payable from August 2023 through August 2029 are net of a principal reduction which took effect when the Authority participated in the January 17, 2017 NJIB refunding process. The principal reduction was applied to the principal payments annually starting in August 2019 and results in a total principal reduction of \$325,000. Current portion as of December 31, 2022 is \$1,020,866.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 7 – Long-Term Liabilities (continued):**

- d. Bonds payable in two separate portions. The Federal portion (D-1) is payable in semi-annual installments of \$221,882 per annum and does not bear interest. The State portion (C-1) of the bonds bears interest at rates ranging from 3.00% to 5.00% and is payable in annual installments that range from a current amount of \$170,000, increasing annually to \$214,000 through August 2029. Amounts payable from August 2022 through August 2029 are net of a principal reduction which took effect when the Authority participated in the January 17, 2017 NJIB refunding process. The principal reduction will be applied to the principal payments annually starting in August 2019 and results in a total principal reduction of \$107,000. Current portion as of December 31, 2022 is \$391,882.
- e. Bonds payable in two separate portions. The Federal portion (D-2) is payable in semi-annual installments of \$618,227 per annum and does not bear interest. The State portion (C-2) of the bonds bears interest at rates ranging from 3.00% to 5.00% and is payable in annual installments that range from a current amount of \$218,000, increasing annually to \$276,000 through August 2029. Amounts payable from August 2022 through August 2029 are net of a principal reduction which took effect when the Authority participated in the January 17, 2017 NJIB refunding process. The principal reduction will be applied to the principal payments annually starting in August 2019 and results in a total principal reduction of \$138,000. Current portion as of December 31, 2022 is \$836,227.
- f. Bonds payable in two separate portions. The Federal portion is payable in semi-annual installments of \$293,593 per annum and does not bear interest. The State portion of the bonds bears interest of 5.00% per annum and is payable in annual installments that range from \$250,000 increasing annually to \$377,000 through August 2030. Current portion as of December 31, 2022 is \$566,593.
- g. Bonds payable in two separate portions. The Federal portion is payable in semiannual installments that aggregate to \$214,501 per annum and does not bear interest. The state portion of the bonds bears interest ranging from a current amount of 3.00% to 5.00% per annum and is payable in annual installments that range from the current amount of \$65,000, increasing annually to \$95,000 through August 2033. Current portion as of December 31, 2022 is \$284,501.
- h. Bonds payable in two separate portions. The Federal portion is payable in semiannual installments that aggregate to \$780,107 per annum and does not bear interest. The state portion of the bonds bears interest ranging from a current amount of 2.00% to 5.00% per annum and is payable in annual installments that range from \$200,000 increasing annually to \$335,000 through August 2035. Current portion as of December 31, 2022 is \$1,010,107.
- i. Bonds payable in two separate portions. The Federal portion is payable in semiannual installments that aggregate to approximately \$621,000 per annum and does not bear interest. The state portion of the bonds bears interest ranging from a current amount of 2.00% to 5.00% per annum and is payable in annual installments that range from \$150,000 to \$275,000 through August 2038. The current portion as of December 31, 2022 is \$785,584.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 7 – Long-Term Liabilities (continued):**

- j. Bonds payable in two separate portions. The Federal portion is payable in semiannual installments that aggregate to approximately \$822,000 per annum and does not bear interest. The state portion of the bonds bears interest ranging from a current amount of 2.125% to 5.00% per annum and is payable in annual installments that range from \$180,000 to \$360,000 beginning August 2022 through August 2039. The current portion as of December 31, 2022 is \$1,021,643.
- k. Bonds payable in two separate portions. The Federal portion is payable in semiannual installments that aggregate to approximately \$357,400 per annum and does not bear interest. The state portion of the bonds bears interest ranging from a current amount of 2.00% to 5.00% per annum and is payable in annual installments that range from \$75,000 to \$150,000 beginning August 2022 through August 2040. The current portion as of December 31, 2022 is \$437,445.
- l. In September 2022, the Waste Water Division issued \$9,860,000 in junior lien sewer revenue sinking bonds which are payable in annual installments ranging from \$1,940,000 to \$2,005,000, commencing in September 2022 through September 2026. The bonds bear interest at 0.80% per annum. The current portion as of December 31, 2022 is \$1,955,000.
- m. In 2009, the Solid Waste Division borrowed \$23,537,398 in supplemental bond financing from the New Jersey Infrastructure Bank. The bonds are payable in two separate portions. The federal portion is payable in semi-annual principal amounts aggregating approximately \$824,500 per year without interest. The state portion bears interest at rates ranging from 3.5% to 5.0% per annum and is payable in annual installments ranging from \$910,000 to \$1,014,000 through August 2024. Amounts payable from August 2022 through August 2024 are net of a principal reduction which took effect when the Authority participated in the January 17, 2017 NJIB refunding process. The principal reduction will be applied to the principal payments annually starting in August 2019 and results in a total principal reduction of \$224,000. Current portion as of December 31, 2022 is \$1,800,482.

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YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 7 – Long-Term Liabilities (continued):**

Bonds payable includes related unamortized premiums associated with those bonds. Bond premiums and gain on defeasance (deferred inflow of resources) are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

Annual repayments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Wastewater Division:</u>			
Year Ending December 31,			
2023	\$ 13,909,186	\$ 1,531,979	\$ 15,441,165
2024	14,269,942	1,299,867	15,569,809
2025	14,405,378	1,032,407	15,437,785
2026	13,344,383	784,681	14,129,064
2027	6,716,849	556,240	7,273,089
2028-2032	25,693,350	1,497,889	27,191,239
2033-2037	15,822,856	536,456	16,359,312
2038-2040	4,756,188	55,338	4,811,526
	<u>\$ 108,918,132</u>	<u>\$ 7,294,857</u>	<u>\$ 116,212,989</u>
 <u>Solid Waste Division:</u>			
Year Ending December 31,			
2023	\$ 1,800,482	\$ 79,600	\$ 1,880,082
2024	1,607,980	40,560	1,648,540
	<u>\$ 3,408,462</u>	<u>\$ 120,160</u>	<u>\$ 3,528,622</u>
 <u>Total:</u>			
Year Ending December 31,			
2023	\$ 15,709,668	\$ 1,611,579	\$ 17,321,247
2024	15,877,922	1,340,427	17,218,349
2025	14,405,378	1,032,407	15,437,785
2026	13,344,383	784,681	14,129,064
2027	6,716,849	556,240	7,273,089
2028-2032	25,693,350	1,497,889	27,191,239
2033-2037	15,822,856	536,456	16,359,312
2038-2040	4,756,188	55,338	4,811,526
	<u>\$ 112,326,594</u>	<u>\$ 7,415,017</u>	<u>\$ 119,741,611</u>

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans:**

**Pension Plan** – The Authority participates in the Public Employees’ Retirement System of New Jersey, which is administered by the Division of Pensions in the Department of Treasury, State of New Jersey. This multiple-employer defined benefit pension plan is funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plan, which covers public employees throughout the state, does not maintain separate records for each reporting unit and, accordingly, the actuarial data specific to the employees of the Authority who are members of the plan are not available. The contributions to the plan, excluding any contributions for early retirement incentive liabilities, for the years ended December 31, 2022, 2021 and 2020 were as follows:

	December 31,		
	2022	2021	2020
Wastewater Division	\$ 2,131,833	\$ 1,976,327	\$ 1,674,702
Solid Waste Division	376,206	348,763	295,536
	\$ 2,508,039	\$ 2,325,090	\$ 1,970,238

The contributions above were equal to the required contributions for each year.

**Deferred Compensation** – The Authority’s deferred compensation program is offered to all Authority employees. The program was created in accordance with Sections 403(b) and 457 of the Internal Revenue Code. The program is offered by the Authority, through a program administrator, The Variable Annuity Life Insurance Company ("VALIC").

The Authority has adopted the provisions of the revision to Governmental Accounting Standards Board Statement No. 32, "Accounting for Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" ("GASB 32"), for both the deferred compensation and the discretionary supplemental retirement plans mentioned below, and has complied with the provisions of the Small Business Job Protection Act of 1996 (the "Act"). The Act requires that amounts deferred under this plan are to be held for the exclusive benefit of participating employees and are not accessible by the Authority or its creditors.

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

*Public Employees’ Retirement System (PERS)*

The Authority reported a liability of \$34,163,134 and \$25,370,225 at December 31, 2022 and 2021, respectively, for its proportionate share of the net pension liability. The December 31, 2022 net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at July 1, 2021, which was rolled forward to June 30, 2022. The December 31, 2021 net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at July 1, 2020, which was rolled forward to June 30, 2021. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Authority’s proportion was 0.2263752014 percent, which was an increase of 0.0122172087 from its proportion measured as of June 30, 2021.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans (continued):**

For the years ended December 31, 2022 and 2021, the Authority recognized a pension benefit of (\$1,010,644) and (\$2,382,115), respectively. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 246,574	\$ 217,443
Changes of assumptions	105,848	5,115,574
Net difference between projected and actual earnings on pension plan investments	1,413,981	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	3,503,017	-
Authority contributions subsequent to the measurement date	1,427,350	-
	<u>\$ 6,696,770</u>	<u>\$ 5,333,017</u>

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflow of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 400,121	\$ 181,621
Changes of assumptions	132,128	9,031,964
Net difference between projected and actual earnings on pension plan investments	-	6,683,184
Changes in proportion and differences between Authority contributions and proportionate share of contributions	2,642,670	-
Authority contributions subsequent to the measurement date	1,254,020	-
	<u>\$ 4,428,939</u>	<u>\$ 15,896,769</u>

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans (continued):**

\$1,427,350 and \$1,254,020 was reported as deferred outflows of resources related to pensions at December 31, 2022 and 2021, respectively, resulting from Authority contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Twelve Months Ending December 31,</b>	
2023	\$ (1,461,149)
2024	(496,918)
2025	(109,225)
2026	1,948,762
2027	54,933
	<u>\$ (63,597)</u>

*Actuarial Assumptions*

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases	2.75 - 6.55%
	based on years of service
Investment rate of return	7.00%

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases	
through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans (continued):**

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*Mortality Rates*

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.

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans (continued):**

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real assets	3.00%	7.60%
Real estate	8.00%	11.19%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
	<u>100.00%</u>	

*Discount rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans (continued):**

*Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate*

The following presents the Authority's proportionate share of the net pension liability as of December 31, 2022 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-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
Authority's proportionate share of the net pension liability	\$ 43,889,620	\$ 34,163,134	\$ 25,885,503

The following presents the Authority's proportionate share of the net pension liability as of December 31, 2021 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-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
Authority's proportionate share of the net pension liability	\$ 34,549,102	\$ 25,370,225	\$ 17,580,647

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employee's Retirement System.

*Additional Information*

Collective balances of the Local Group at the end of the current measurement period, June 30, 2022 are as follows:

Deferred outflows of resources	\$	1,660,772,008
Deferred inflows of resources	\$	3,236,303,935
Net pension liability	\$	15,219,184,920
Authority's Proportion		0.2263752014%

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans (continued):**

Collective pension benefit for the Local Group for the measurement period ended June 30, 2022 is (\$1,032,778,934).

Collective balances of the Local Group at the end of the measurement period, June 30, 2021 are as follows:

Deferred outflows of resources	\$	1,164,738,169
Deferred inflows of resources	\$	8,339,123,762
Net pension liability	\$	11,972,782,878
Authority's Proportion		0.2141579927%

Collective pension benefit for the Local Group for the measurement period ended June 30, 2021 is (\$1,599,674,464).

The average of the expected remaining service lives of all plan members is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

**Early Retirement Incentive (“ERI”) Liabilities** – In July 1994 and 1996, the Wastewater Division incurred early retirement incentive liabilities as a result of early retirements by several employees. These liabilities have the following terms:

*Early Retirement Incentive 1* – In July 1994, the Wastewater Division incurred a \$536,928 liability as a result of the early retirement of five employees. This liability was paid off in April of 2021.

*Early Retirement Incentive 2* - In July 1996, the Wastewater Division incurred a \$1,009,952 liability as a result of the early retirement of seven employees. This liability is to be paid off over a thirty-seven year period from April 1, 1997 through April 1, 2033, with payments increasing by 3-6% annually. As of December 31, 2022 and 2021, the remaining balance on this liability is \$1,373,000 and \$1,423,720, respectively, with an interest rate of 7.5%.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans (continued):**

During the years ended December 31, 2022 and 2021, the following changes occurred in early retirement incentive liabilities:

	<u>January 1, 2022</u>	<u>Reductions</u>	<u>December 31, 2022</u>	<u>Due Within One Year</u>
ERI 2	\$ 1,423,720	\$ 50,720	\$ 1,373,000	\$ 59,622
	<u>\$ 1,423,720</u>	<u>\$ 50,720</u>	<u>\$ 1,373,000</u>	<u>\$ 59,622</u>
	<u>January 1, 2021</u>	<u>Reductions</u>	<u>December 31, 2021</u>	<u>Due Within One Year</u>
ERI 1	\$ 97,685	\$ 97,685	\$ -	\$ -
ERI 2	1,466,320	42,600	1,423,720	50,720
	<u>\$ 1,564,005</u>	<u>\$ 140,285</u>	<u>\$ 1,423,720</u>	<u>\$ 50,720</u>

**Other Post-Employment Benefits (“OPEB”) – Retiree Welfare Plan** - The Authority maintains a Retiree Welfare Plan which provides post-employment medical, prescription drug coverage, vision and dental care benefits to eligible retirees as described under the plan. The Authority sponsors and participates in a single-employer defined benefit OPEB plan. Medical benefits and prescription drug coverage are provided through plans offered by the Middlesex County Joint Health Insurance Fund (“MCJHIF”).

*Employees covered by benefit terms*

At December 31, 2022, there were 188 retirees and 208 active employees covered under the plan. At December 31, 2021, there were 165 retirees and 192 active employees covered under the plan.

*Net OPEB Liability*

The net OPEB liability is \$100,083,767 and \$125,494,076 at December 31, 2022 and 2021, respectively. The net OPEB liability at December 31, 2022 includes liabilities for retirees and actives of \$53,866,813 and \$46,216,954, respectively. The net OPEB liability at December 31, 2021 includes liabilities for retirees and actives of \$51,992,443 and \$73,501,634, respectively.

*Actuarial assumptions and other inputs*

The net OPEB liability of \$100,083,767 was reported in the December 31, 2022 actuarial valuation prepared by the Authority’s actuary. The major actuarial assumptions, among others, were the use of a 3.72% discount rate and a computed Health Care Trend Rate (“HCTR”) which ranged from 4.50% to 6.75% depending on the type of coverage and salary increases of 3% per year. Tables were used for mortality, morbidity and disability variables in computing the HCTR.

The net OPEB liability of \$125,494,076 was reported in the December 31, 2021 actuarial valuation prepared by the Authority’s actuary. The major actuarial assumptions, among others, were the use of a 2.06% discount rate and a computed Health Care Trend Rate (“HCTR”) which

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans (continued):**

ranged from 4.50% to 6.75% depending on the type of coverage and salary increases of 3% per year. Tables were used for mortality, morbidity and disability variables in computing the HCTR.

*Discount rate and Inflation rate*

The discount rate for unfunded plans should be the single rate that reflects a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale). The plan is currently unfunded. The actuary used the “20-Bond GO Index” to establish a discount rate of 3.72% at December 31, 2022 and 2.06% at December 31, 2021. The inflation rate was 2.50% per year.

*Mortality rates*

Pre-retirement mortality rates for 2022 were based on the Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full dataset – Headcount-Weighted Healthy Employee Male/Female Mortality, projected generationally with MP-2021. Post-retirement mortality rates were based on Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full dataset – Headcount-Weighted Healthy Retiree Male/Female Mortality, projected generationally with MP-2021. Disabled mortality rates were based on Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full dataset – Headcount-Weighted Disabled Retiree Male/Female Mortality, projected generationally with MP-2021. Contingent survivor mortality rates were based on Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full dataset – Headcount-Weighted Contingent Survivor Male/Female Mortality, projected generationally with MP-2021.

*Actuarial cost method*

The actuarial cost method used to determine the Actuarial Accrued Liability was the Entry Age Normal Percent of Pay method. This method is one of the family of projected benefit cost methods. An estimate of the projected monthly benefit payable at retirement is initially required to determine costs and liabilities under this method.

The Normal Cost is the sum of the annual contributions required for each participant from his entry date to his assumed retirement date so that the accumulated contribution at retirement is equal to the liability for the projected benefit. The projected benefits are based on estimates of future years of service. The normal cost is developed as a level percentage of pay. The Present Value of Future Benefits equals the value of the projected benefit payable at retirement discounted back to the participant’s current age. Discounts include such items as interest and mortality. The Present Value of Future Normal Cost equals the discounted value of the normal costs payable from the member’s current age to retirement age.

The difference between the Present Value of Future Benefits and the Present Value of Future Normal Costs represents the Actuarial Accrued Liability at the participant’s current age. The Actuarial Accrued Liability for participants currently receiving benefits and terminated vested participants is calculated as the Present Value of Future Benefits expected to be paid. No Normal Cost is payable for these participants.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans (continued):**

*Asset valuation method*

The plan is currently unfunded.

Changes in the net OPEB liability are as follows:

	Year Ended December 31,	
	2022	2021
Beginning Net OPEB Liability, January 1,	\$ 125,494,076	\$ 120,594,097
Changes for the year:		
Service cost	4,727,633	4,555,758
Interest	2,644,353	2,616,355
Actuarial assumption loss	(36,776,843)	1,201,675
Actuarial experience (gain)	7,704,668	-
Benefit payments	(3,710,120)	(3,473,809)
Net changes	(25,410,309)	4,899,979
Ending Net OPEB Liability, December 31,	\$ 100,083,767	\$ 125,494,076

Changes of assumptions and other inputs reflect a change in the discount rate from 2.12% in 2020 to 2.06% in 2021 and from 2.06% in 2021 to 3.72% in 2022.

For the years ended December 31, 2022 and 2021, the Authority recognized OPEB benefit of (\$11,225,901) and (\$6,641,619), respectively.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual demographic experience		\$ 26,444,434
Changes of assumptions	\$ 16,814,188	35,321,482
	\$ 16,814,188	\$ 61,765,916

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans (continued):**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual demographic experience		\$ 42,771,156
Changes of assumptions	\$ 16,145,846	6,975,525
	\$ 16,145,846	\$ 49,746,681

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Twelve Months Ending December 31,</b>	
2023	\$ (18,597,888)
2024	(9,167,825)
2025	(3,744,038)
2026	(3,907,550)
2027	(3,907,550)
Thereafter	(5,626,877)
	\$ (44,951,728)

*Sensitivity of the net OPEB liability to changes in the discount rate.*

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72%) or 1-percentage-point higher (4.72%) than the current discount rate:

	<b>At 1% Decrease (2.72%)</b>	<b>At Current Discount rate (3.72%)</b>	<b>At 1% Increase (4.72%)</b>
Net OPEB liability	\$ 117,489,733	\$ 100,083,767	\$ 86,202,299

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 8 – Pension and Retirement Plans (continued):**

*Sensitivity of the net OPEB liability to changes in the healthcare trend rates.*

The following presents the net OPEB liability of the Authority, as well as what the Authority’s net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<b>At 1% Decrease</b>	<b>At Current Healthcare Trend Rate</b>	<b>At 1% Increase</b>
Net OPEB liability	\$ 85,240,100	\$ 100,083,767	\$ 119,150,672

***Discretionary Supplemental Retirement Plan*** – The Authority’s discretionary supplemental retirement plan is offered to all Authority permanent employees who have accrued the number of sick leave days, as determined by the Authority, provided that such employee is credited with at least 1,000 hours of service during the plan period. The program was created in accordance with Sections 401(a) and 403(b) of the Internal Revenue Code. The program is offered by the Authority through VALIC, which acts as its agent.

**Note 9 – Natural Disaster:**

On September 1, 2021, Hurricane Ida caused substantial flood damage to certain areas of New Jersey. The Authority’s pumping station located in Green Brook sustained significant flooding because of the storm. The Authority is working with both FEMA and its insurance carrier to cover the damages. Total damages are anticipated to be approximately \$3.2 million, with most of that cost being covered by either FEMA or insurance proceeds.

**Note 10 – Solid Waste Division Service Revenues:**

Service revenues are generated from solid waste disposal activities at the Middlesex County Landfill site. Pre-approved municipal and private haulers that collect Middlesex County solid waste are the only haulers authorized to dispose of waste at the Middlesex County Landfill site. Private haulers are required to pay their tipping fees in advance and the Solid Waste Division records these payments as unearned service revenue until such time as it receives waste from the haulers.

Solid waste is classified into three categories. Regular and contract waste consists of conventional residential, commercial or industrial waste. Special waste requires special testing or handling. Mixed waste which consists of transfer station residual waste, and waste from construction and demolition materials, is classified as I.D. 13.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 10 – Solid Waste Division Service Revenues (continued):**

The landfill rate structure per ton as adopted in the Solid Waste Division's original 2022 budget is as follows:

	<u>Contract (Tier I)</u>	<u>Contract (Tier II)</u>	<u>Regular</u>	<u>C&amp;D</u>	<u>Special</u>
Rates to cover operating costs, capital costs and reserves	\$ 55.78	\$ 58.78	\$ 60.78	\$ 73.78	\$ 85.78
Mandated taxes:					
DEP closure tax	1.00	1.00	1.00	1.00	1.00
State closure and contingency tax	0.50	0.50	0.50	0.50	0.50
State solid waste recycling tax	3.00	3.00	3.00	3.00	3.00
County tax	0.82	0.82	0.82	0.82	0.82
Host community tax	5.30	5.30	5.30	5.30	5.30
Adjoining host community tax	3.60	3.60	3.60	3.60	3.60
Total mandated taxes	<u>14.22</u>	<u>14.22</u>	<u>14.22</u>	<u>14.22</u>	<u>14.22</u>
Total 2022 rate per ton	<u>\$ 70.00</u>	<u>\$ 73.00</u>	<u>\$ 75.00</u>	<u>\$ 88.00</u>	<u>\$ 100.00</u>
2021 rates per ton	<u>\$ 68.75</u>	<u>\$ 71.75</u>	<u>\$ 75.00</u>	<u>\$ 88.00</u>	<u>\$ 100.00</u>

**Note 11 – Inter-Division Transactions:**

**Management Fee** – The operating revenues for the Wastewater Division include management fees from the Solid Waste Division which, for the years ended December 31, 2022 and 2021, amounted to \$1,980,000 and \$2,064,000, respectively.

**Note Payable** – The Solid Waste Division advanced the Wastewater Division \$15,100,000 in the form of a note which bears interest at the rate of 2.75% per annum through June 30, 2021, after that 0%. The note calls for principal repayments at the discretion of the Board of Commissioners. There is no stated maturity date for the note. The balance of the note was \$10,349,347 and \$11,349,347 at December 31, 2022 and 2021, respectively.

**Due to Solid Waste Division (restricted)** – The Solid Waste Division loaned the Wastewater Division \$5,000,000 in August 2016. The terms of this loan require the Wastewater Division to pay any interest earned on the account where the funds are held to the Solid Waste Division. There is no stated maturity date for the note. The remaining balance due to the Solid Waste Division under this note was \$0 and \$1,955,212 at December 31, 2022 and 2021, respectively. Interest expense for the year ended December 31, 2022 and 2021 was \$2,251 and \$3,521, respectively. This loan was repaid in full in August 2022.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 11 – Inter-Division Transactions (continued):**

The following is the activity and amounts loaned between Divisions during the years ended December 31, 2022 and 2021:

	<b>January 1, 2022</b>	<b>Advances</b>	<b>Payments</b>	<b>December 31, 2022</b>
Notes Payable	\$ 13,304,559	\$ -	\$ 2,955,212	\$ 10,349,347
	<b>January 1, 2021</b>	<b>Advances</b>	<b>Payments</b>	<b>December 31, 2021</b>
Notes Payable	\$ 13,759,520	\$ -	\$ 454,961	\$ 13,304,559

Interest expense incurred on amounts due to the Solid Waste Division for the years ended December 31, 2022 and 2021 was \$0 and \$157,234, respectively.

**Note 12 – Commitments and Contingencies:**

**Wastewater Division:**

**Litigation** – The Authority is a defendant in a number of legal proceedings. If these cases are decided against the Authority, the Authority will pay such amounts from future user fees. Except as noted in the next paragraph, the Authority expects that such amounts, if any, would not have a material adverse effect on the Authority's financial statements.

**Long-Term Contracts** – The Authority has entered into several contracts for construction of facilities, some of which extend beyond December 31, 2022. Funding for these projects has been substantially secured through the New Jersey Infrastructure Bank and amounts held by the Trust for contracts in progress is \$6,176,369 at December 31, 2022. During 2021, the Authority received approval for a short term construction loan to finance two operating segments, Primary Tank Emergency and Final Clarifier Rehabilitation Phase 4.

**Environmental Regulations** – The Authority operates its wastewater facility subject to extensive Federal and State environmental regulations. Accordingly, the Authority is subject to the administrative directives, rules and regulations of the Federal and State regulatory agencies. Such administrative directives, rules and regulations are subject to change by acts of the Federal and State legislatures. Such changes may occur with little or no notice or inadequate funding to pay for the related costs, including the additional administrative burden, to comply with the change. The Authority's management is not aware of any violations or administrative changes that may have a material effect on the financial statements.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 12 – Commitments and Contingencies (continued):**

**Solid Waste Division:**

***Acquisition of Property Interests in Edgeboro II*** – Pursuant to the County Solid Waste Management Plan, the Authority has undertaken the development and operation of an integrated solid waste management system, the principal long-term component of which is currently Edgeboro I. On May 10, 1991, the DEP issued a solid waste facility permit for Edgeboro II for five periods, the maximum allowable period under applicable law. As permitted, Edgeboro II was projected by the Authority to meet the County's landfill requirements at least through the period 2016. The Authority received a five year permit extension in September 2017. In 2022, the Authority applied to the DEP for a renewal permit and a major modification to increase the height of the landfill. The DEP has determined the permit renewal is complete however their review process is ongoing as of the date of these financial statements.

In May 1994, after a series of condemnation hearings and negotiations, the Authority acquired an easement on certain sections "over the top" of the closed Edgeboro I and approximately 80 acres of vacant property for other public purposes.

***Host Community Benefit Agreements –***

***Township of East Brunswick:*** Under the Host Community Benefit Statute, the Township of East Brunswick is entitled to host benefits in consideration for the location of an operating landfill within its borders. The benefits provided to the Township of East Brunswick, under the agreement currently in effect, are based on solid waste accepted at the landfill, at the rate of \$5.30 per ton. The required annual payment can vary from a minimum of \$3,090,000 to a maximum of \$3,296,000.

There is also an annual basic payment of \$910,000, increased by the percentage increase on tipping rate (excluding taxes) using 1988 as the base year.

***Boroughs of Sayreville and South River and the Township of Edison:*** Under the adjoining Host Community Benefit Statute, the Boroughs of Sayreville and South River and the Township of Edison are entitled to host benefits in consideration of these communities being located in close proximity to the landfill. The benefits under the agreements which are expensed as incurred are based on the following per ton rates applied to the previous period's total solid waste accepted for disposal in the landfill:

- For the Borough of Sayreville: \$1.20 per ton for the years 2014 - 2023.
- For the Borough of South River: \$1.50 per ton for the years 2014 - 2023.
- For the Township of Edison: \$0.90 per ton in 2014 - 2023.

***MCIA Agreement*** – On January 1, 2015, the Middlesex County Utilities Authority renewed a five-year agreement with the Middlesex County Improvement Authority ("MCIA") allowing operation of an Interim Bulky Waste Recycling Program by the Improvement Authority. Under the renegotiated agreement, the Authority subsidizes the County of Middlesex Recycling Program in the amount of \$2,750,000 annually.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 12 – Commitments and Contingencies (continued):**

**Solid Waste Division (continued):**

***Closure and Post-Closure Care Cost*** – In 1991, the Department of Environmental Protection ("DEP") and the Board of Public Utilities issued an order requiring Edgeboro Disposal Inc. ("EDI") to close the Edgeboro I landfill. The Solid Waste Division and EDI share responsibility for the closure and post-closure work at Edgeboro I based on an agreement executed on October 10, 1991. Under the 1991 master plan developed for the facility permitting a comprehensive environmental management of the landfill, the closure and post-closure liabilities of Edgeboro I shall be funded principally by escrowed funds established by the owners of Edgeboro I under the terms of the rates (tipping fees) approved by the then Board of Public Utilities.

Federal and State laws and regulations require the Authority to place a final cover on each utilized area of the landfill site when the respective area stops accepting waste and to perform certain maintenance and monitoring functions at each site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that these landfill areas stop accepting waste, the Authority reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used each year. The \$78.4 million reported as landfill closure and postclosure care liabilities at December 31, 2022 represents the cumulative amount reported to date, less withdrawals to date of \$5.59 million, based on the use of the estimated capacity of the landfill. Total costs are estimated to be approximately \$137 million.

In September 2017, the Authority obtained approval of a permit for expansion that would allow for the operating of the landfill through 2030.

The Authority has expensed \$3,203,401 and \$2,546,517 for closure and post-closure care costs for the years ended December 31, 2022 and 2021, respectively. These amounts are based on what it would cost to perform all closure and post-closure care for the Authority's share of closure costs. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Authority also provides funding for closure and post-closure liabilities to meet regulatory requirements from tipping fee revenues. At December 31, 2022, cash, cash equivalents and investments with a fair value of \$78,411,085 are held for these purposes. These are reported as restricted assets on the statement 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 post-closure 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 revenues.

***Litigation*** – The Authority is a defendant in a number of legal proceedings. If these cases are decided against the Authority, the Authority will pay such amounts from future user fees. The Authority expects such amounts, if any, will not have a material adverse effect on the Authority's financial statements.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 12 – Commitments and Contingencies (continued):**

**Environmental Regulations** – The Authority operates its landfill, subject to extensive federal and state environmental regulations. Accordingly, the Authority is subject to the administrative directives, rule and regulations of the federal and state regulatory agencies. Such administrative directives, rules and regulations are subject to change by acts of the federal and state legislatures. Such changes may occur with little or no notice or inadequate funding to pay for the related costs, including the additional administrative burden, to comply with the change. The Authority’s management is not aware of any violations or administrative changes that may have a material effect on the financial statements.

**Note 13 – 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 self-insures for a portion of the losses that could arise during the normal course of operations, such as losses from general liability, collision losses and workers’ compensation claims. The Authority’s policy is to set up funded reserves for claims that may arise and to purchase commercial insurance to cover the liability for claims in excess of self-insured amounts. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

*Self-Insurance – Workers’ Compensation*

The Authority estimates that the liabilities for workers’ compensation claims are sufficiently covered by the reserves at December 31, 2022 and 2021. During the years ended December 31, 2022 and 2021, the following changes occurred in the workers’ compensation claims reserve:

	<u>January 1,</u> <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31,</u> <u>2022</u>
Wastewater Division	\$ 784,237	\$ 355,704	\$ 277,990	\$ 861,951
Solid Waste Division	736,755	104,745	116,411	725,089
	<u>\$ 1,520,992</u>	<u>\$ 460,449</u>	<u>\$ 394,401</u>	<u>\$ 1,587,040</u>
	<u>January 1,</u> <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31,</u> <u>2021</u>
Wastewater Division	\$ 708,021	\$ 350,892	\$ 274,676	\$ 784,237
Solid Waste Division	622,167	200,938	86,350	736,755
	<u>\$ 1,330,188</u>	<u>\$ 551,830</u>	<u>\$ 361,026</u>	<u>\$ 1,520,992</u>

**Middlesex County Utilities Authority  
Required Supplementary Information  
Schedule of Changes in Net OPEB Liability**

**Last Ten Fiscal Years\***

	2022	2021	2020	2019	2018	2017
Balance, Beginning of Year	\$ 125,494,076	\$ 120,594,097	\$ 175,522,217	\$ 150,163,131	\$ 168,496,147	\$ 155,058,140
Changes for the year:						
Service cost	4,727,633	4,555,758	5,503,892	3,996,656	4,858,296	4,412,459
Interest cost	2,644,353	2,616,355	4,938,852	6,262,867	6,021,833	5,939,395
Benefit payments	(3,710,120)	(3,473,809)	(2,863,000)	(2,813,848)	(2,604,186)	(2,173,470)
Actuarial assumption changes	(29,072,175)	1,201,675	3,337,551	24,862,525	(20,926,574)	5,259,623
Actuarial demographic (gain) or loss	-	-	(65,845,415)	(6,949,114)	(5,682,385)	-
Net changes	(25,410,309)	4,899,979	(54,928,120)	25,359,086	(18,333,016)	13,438,007
Balance, End of Year	\$ 100,083,767	\$ 125,494,076	\$ 120,594,097	\$ 175,522,217	\$ 150,163,131	\$ 168,496,147
Total OPEB Liability	\$ 100,083,767	\$ 125,494,076	\$ 120,594,097	\$ 175,522,217	\$ 150,163,131	\$ 168,496,147
OPEB plan's fiduciary net position	-	-	-	-	-	-
Net OPEB Liability	\$ 100,083,767	\$ 125,494,076	\$ 120,594,097	\$ 175,522,217	\$ 150,163,131	\$ 168,496,147
Plan fiduciary net position as a percentage of the net OPEB liability -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 17,829,225	\$ 13,293,175	\$ 12,905,995	\$ 18,480,886	\$ 14,323,213	\$ 16,077,977
Net OPEB liability as a percentage of covered employee payroll	561.35%	944.05%	934.40%	949.75%	1048.39%	1047.99%

\* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Notes to the Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from the measurement date of December 31, 2021 of 2.06% to 3.72% as of the measurement date of December 31, 2022.

The discount rate changed from the measurement date of December 31, 2020 of 2.12% to 2.06% as of the measurement date of December 31, 2021.

**Middlesex County Utilities Authority  
Required Supplementary Information  
Schedule of the Authority's OPEB Contributions**

**Last Ten Fiscal Years**

	Year Ended December 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 3,710,120	\$3,473,809	\$2,863,000	\$2,813,848	\$2,604,186	\$2,173,470	1,948,730	1,676,985	\$1,338,354	N/A
Contributions in relation to the contractually required contribution	(3,710,120)	(3,473,809)	(2,863,000)	(2,813,848)	(2,604,186)	(2,173,470)	(1,948,730)	(1,676,985)	(1,338,354)	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

N/A - information prior to January 1, 2014 was not available.

**Middlesex County Utilities Authority**  
**Schedule of the Authority's Proportionate Share of the Net Pension Liability and Notes to Required Supplementary Information**  
**Public Employees' Retirement System**  
**Required Supplementary Information**

**Last Ten Fiscal Years**

	Years Ended December 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability (asset) - Local Group	0.2263752014%	0.2141579927%	0.2125408774%	0.2055135080%	0.1953715800%	0.1911748702%	0.1902580115%	0.1872540940%	0.1838347300%	N/A
Authority's proportionate share of the net pension liability (asset)	\$ 34,163,134	\$ 25,370,225	\$ 34,659,859	\$ 36,496,681	\$ 38,467,690	\$ 44,502,454	\$ 56,348,966	\$ 42,034,792	\$ 34,418,889	N/A
Authority's covered-employee payroll	\$ 15,953,351	\$ 15,344,792	\$ 14,910,042	\$ 14,039,389	\$ 13,590,915	\$ 13,047,089	\$ 12,925,708	\$ 12,863,805	\$ 12,459,125	\$ 12,133,871
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	214.14%	165.33%	232.46%	259.96%	283.04%	341.09%	435.94%	326.77%	276.25%	N/A
Plan fiduciary net position as a percentage of the total pension liability - Local Group	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	48.72%	N/A

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

N/A - Information not available.

Notes to the Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate at the measurement dates of June 30, 2021 and June 30, 2022 was 7.00%.

The discount rate at the measurement dates of June 30, 2020 and June 30, 2021 was 7.00%.

**Middlesex County Utilities Authority  
Schedule of the Authority's Contributions  
Public Employees' Retirement System  
Required Supplementary Information**

**Last Ten Fiscal Years**

	Years Ended December 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,854,700	\$ 2,508,039	\$ 2,325,090	\$ 1,970,238	\$ 1,943,316	\$ 1,771,031	\$ 1,690,225	\$ 1,609,883	\$ 1,515,507	\$ 1,345,088
Contributions in relation to the contractually required contribution	(2,854,700)	(2,508,039)	(2,325,090)	(1,970,238)	(1,943,316)	(1,771,031)	(1,690,225)	(1,609,883)	(1,515,507)	(1,345,088)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 16,796,298	\$ 15,953,351	\$ 15,344,792	\$ 14,910,042	\$ 14,039,389	\$ 13,590,915	\$ 13,047,089	\$ 12,925,708	\$ 12,863,805	\$ 12,459,125
Contributions as a percentage of covered-employee payroll	17.00%	15.72%	15.15%	13.21%	13.84%	13.03%	12.95%	12.45%	11.78%	10.80%

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS  
WASTEWATER DIVISION  
December 31, 2022

	Cash and Cash Equivalents	Account	Investments				Total Cash, Cash Equivalents and Investments
			Purchase Date	Maturity Date	Fair Value	Cost Basis	
<b>Revenue Fund - Unrestricted</b>							
Cash accounts (1977)	\$ 18,135,539						\$ 18,677,539
		Certificates of Deposit	10/13/2022	4/13/2023	\$ 542,000	\$ 542,000	\$ 6,908,000
		Certificates of Deposit	10/13/2022	4/13/2023	6,908,000	6,908,000	25,585,539
					<u>7,450,000</u>	<u>7,450,000</u>	
<b>Other Accounts - Restricted</b>							
Unemployment claims reserve	126,800						126,800
General liability insurance reserve	2,308,288						2,308,288
Collision insurance reserve	302,421						302,421
Worker's compensation insurance reserve	861,951						861,951
Future plant, reconstr. or replacement reserve	5,251,804						5,251,804
Allied retainage	57,205						57,205
Renewal and replacement (1985)	20						20
General fund (1985)	24						24
Tru-Val retainage	2,273						2,273
LBSM Construction Fund (1985)	304						304
Construction fund 1991 issue	351	Certificates of Deposit	12/21/2022	3/24/2023	13,579,000	13,579,000	13,579,351
Construction fund (2006)	843						843
Bond service (1993A)	437						437
Debt service rate stabilization	86	Certificates of Deposit	12/23/2022	5/3/2023	4,000,000	4,000,000	4,000,086
		Certificates of Deposit	11/3/2022	5/3/2023	4,006,000	4,006,000	4,006,000
Solid Waste Division loan reserve	82,452						82,452
WWD FSA Escrow	43,801						43,801
Construction fund (2007)	91	Certificates of Deposit	10/21/2022	4/21/2023	1,000	1,000	1,091
Kenny Construction retainage	106,779						106,779
CPV Escrow	141,704						141,704
Northeast Remsco Retainage	468						468
Solar Project	33,328						33,328
Total restricted accounts	<u>9,321,430</u>				<u>21,586,000</u>	<u>21,586,000</u>	<u>30,907,430</u>
Total - combined	<u>\$ 27,456,969</u>				<u>\$ 29,036,000</u>	<u>\$ 29,036,000</u>	<u>\$ 56,492,969</u>
					Unrestricted - Current	\$ 7,450,000	
					Restricted - Current	<u>21,586,000</u>	
						<u>\$ 29,036,000</u>	

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS  
SOLID WASTE DIVISION  
December 31, 2022

	Cash and Cash Equivalents	Account	Investments				Total Cash, Cash Equivalents and Investments
			Purchase Date	Maturity Date	Fair Value	Cost Basis	
<b>Revenue Fund - Unrestricted</b>							
Cash accounts	\$ 57,050,289						\$ 57,050,289
<b>Other Accounts - Restricted</b>							
General liability insurance reserve	2,925,915						2,925,915
Collision insurance reserve	195,948						195,948
Worker's compensation insurance reserve	725,089						725,089
Land acquisition and improvement reserve	6,906,466						6,906,466
DEP Closure Phase I	4,107,958						4,107,958
Environmental self reserve	21,537,635						21,537,635
Closure/Post-Closure II	66,543	Certificates of Deposit	various	various	\$ 3,386,312	\$ 3,386,312	3,452,855
		U.S. Treasury Notes	various	various	44,698,559	46,424,813	44,698,559
CJ Nesti Soil escrow	316,966						316,966
Supplemental fund	2,105,101						2,105,101
Public liability insurance reserve	2,123,654						2,123,654
Aforce escrow	317,301						317,301
Construction reserve	1,126,313						1,126,313
Northeast Remsco retainage	29,154						29,154
Service fee escrow	574,277						574,277
Reconstruction/Replacement reserve	4,208,093						4,208,093
DEP Closure Phase II Amboy	5,267,785	Other Government Obligations	various	various	17,969,725	18,881,915	23,237,510
United Energy Soil escrow	316,966						316,966
SWD FSA escrow	1,708						1,708
Total restricted accounts	<u>52,852,872</u>				<u>66,054,596</u>	<u>68,693,040</u>	<u>118,907,468</u>
Total - combined	<u>\$ 109,903,161</u>				<u>\$ 66,054,596</u>	<u>\$ 68,693,040</u>	<u>\$ 175,957,757</u>
					Restricted - Current	\$ 21,751,860	
					Restricted - Non-Current	44,302,736	
						<u>\$ 66,054,596</u>	

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
UNRESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS -  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

<b>Sources</b>	<b>Operating Fund</b>
Prior year deficiencies	\$ 1,396,561
2022 annual charges	84,984,641
Septage treatment/Hauled waste fees	398,232
Service fees, plan approvals, etc.	22,725
Industrial pretreatment permit fees	31,075
Interest on investments	124,809
Groundwater discharge fees	1,006,701
Expense reimbursements	1,602,450
Management fees	1,980,000
Lab and sampling fees	83,370
Sale of synthetic soil	350,712
Sale of landfill gas	3,852,191
Penalty assessments	159,600
PSE&G REC credits	380,257
Grid sales	253,905
Miscellaneous income	1,044,555
Effluent reuse - CPV	710,443
Sale of oxygen - Linde	167,202
Sale of nitrogen - Linde	1,843,382
Sale of water - Linde	32,683
Total sources	<u>100,425,494</u>
 <b>Uses</b>	
Budget expenses and accounts payable	88,127,442
Refunds to participants	1,056,988
Total uses	<u>89,184,430</u>
 <b>Transfers (to) from Restricted Funds:</b>	
Total debt service funds (net)	(15,652,771)
Transfers to Restricted funds	(4,000,000)
Transfers from Restricted funds	6,849,347
Transfers (to) from Restricted Funds	<u>(12,803,424)</u>
Decrease for year	(1,562,360)
Balance, beginning of year	<u>27,147,899</u>
Balance, end of year	<u>\$ 25,585,539</u>
 Balance Comprised of:	
Cash and cash equivalents	\$ 18,135,539
Investments	7,450,000
	<u>\$ 25,585,539</u>

**MIDDLESEX COUNTY UTILITIES AUTHORITY**

**SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
UNRESTRICTED CASH AND CASH EQUIVALENTS -  
SOLID WASTE DIVISION**

**YEAR ENDED DECEMBER 31, 2022**

<b>Sources</b>	<b>Operating Fund</b>
Service revenues	\$ 39,286,389
Interest income	361,136
Soil program income	11,252,283
Miscellaneous receipts	206,900
Enrollment fees	13,835
Expense reimbursement	270,356
Service fee income	1,239,872
Transfers from reserves	1,792,242
Total sources	54,423,013
<b>Uses</b>	
Vouchers paid	34,857,305
Payments made from reserve accounts	1,792,242
Transfers to debt service, net	1,912,875
Total uses	38,562,422
Increase for year	15,860,591
Balance, beginning of year	41,189,698
Balance, end of year	\$ 57,050,289
Balance Comprised of:	
Cash and cash equivalents	\$ 57,050,289

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

	2009 NJEIT Debt Service	LBSM Construction Fund 1985 Issue	Renewal and Replacement 1985 Issue	General Fund 1985 Issue
<b>Sources</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
Miscellaneous income				
Expense reimbursement				
Escrow deposits				
Transfers – unrestricted funds	1,214,608			
Budget appropriation				
Total sources	<u>1,214,608</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Uses</b>				
Bond principal paid	999,866			
Bond interest paid	186,302			
Vouchers paid				
Claims paid				
Escrow withdrawals				
N.J. Wastewater admin. fees	28,440			
Transfers - unrestricted funds				
Total uses	<u>1,214,608</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease)</b>	-	-	-	-
<b>Balance, beginning of year</b>	<u>-</u>	<u>304</u>	<u>20</u>	<u>24</u>
<b>Balance, end of year</b>	<u>\$ -</u>	<u>\$ 304</u>	<u>\$ 20</u>	<u>\$ 24</u>
<b>Balance comprised of</b>				
Cash and cash equivalents	\$ -	\$ 304	\$ 20	\$ 24
Investments:				
Certificates of deposit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 304</u>	<u>\$ 20</u>	<u>\$ 24</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

	1991 Construction Fund	2006 Construction Fund	Solid Waste Division Loan Reserve	Tru-Val Retainage
<b>Sources</b>				
Interest income	\$ 35,319	\$ -	\$ 3,303	\$ 16
Miscellaneous income				
Expense reimbursement	3,815,586			
Escrow deposits				
Transfers – unrestricted funds				
Budget appropriation			1,000,000	
Total sources	<u>3,850,905</u>	<u>-</u>	<u>1,003,303</u>	<u>16</u>
<b>Uses</b>				
Bond principal paid				
Bond interest paid				
Vouchers paid			1,000,000	
Claims paid				
Escrow withdrawals				
N.J. Wastewater admin. fees				
Transfers - unrestricted funds	6,500,000			
Total uses	<u>6,500,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
<b>Increase (decrease)</b>	(2,649,095)	-	3,303	16
<b>Balance, beginning of year</b>	<u>16,228,446</u>	<u>843</u>	<u>79,149</u>	<u>2,257</u>
<b>Balance, end of year</b>	<u>\$ 13,579,351</u>	<u>\$ 843</u>	<u>\$ 82,452</u>	<u>\$ 2,273</u>
<b>Balance comprised of</b>				
Cash and cash equivalents	\$ 351	\$ 843	\$ 82,452	\$ 2,273
Investments:				
Certificates of deposit	13,579,000	-	-	-
	<u>\$ 13,579,351</u>	<u>\$ 843</u>	<u>\$ 82,452</u>	<u>\$ 2,273</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

	<u>Allied Retainage</u>	<u>Bond Service 1993A</u>	<u>2010 Debt Service</u>	<u>Solar Project</u>
<b>Sources</b>				
Interest income	\$ 380	\$ -	\$ -	\$ 13,445
Miscellaneous income				
Expense reimbursement				
Escrow deposits				
Transfers – unrestricted funds			451,970	2,017,127
Budget appropriation				
Total sources	<u>380</u>	<u>-</u>	<u>451,970</u>	<u>2,030,572</u>
<b>Uses</b>				
Bond principal paid			382,882	1,940,000
Bond interest paid			59,954	77,127
Vouchers paid				9,798,820
Claims paid				
Escrow withdrawals				
N.J. Wastewater admin. fees			9,134	
Transfers - unrestricted funds				
Total uses	<u>-</u>	<u>-</u>	<u>451,970</u>	<u>11,815,947</u>
<b>Increase (decrease)</b>	380	-	-	(9,785,375)
<b>Balance, beginning of year</b>	<u>56,825</u>	<u>437</u>	<u>-</u>	<u>9,818,703</u>
<b>Balance, end of year</b>	<u>\$ 57,205</u>	<u>\$ 437</u>	<u>\$ -</u>	<u>\$ 33,328</u>
<b>Balance comprised of</b>				
Cash and cash equivalents	\$ 57,205	\$ 437	\$ -	\$ 33,328
Investments:				
Certificates of deposit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 57,205</u>	<u>\$ 437</u>	<u>\$ -</u>	<u>\$ 33,328</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

	Collision Insurance Reserve	Unemploy. Claims Reserve	Worker's Compensation Insurance Reserve	General Liability Insurance Reserve
<b>Sources</b>				
Interest income	\$ 2,010	\$ 831	\$ 5,704	\$ 42,820
Miscellaneous income	7,379			
Expense reimbursement				
Escrow deposits		2,276		
Transfers – unrestricted funds				
Budget appropriation			350,000	
Total sources	<u>9,389</u>	<u>3,107</u>	<u>355,704</u>	<u>42,820</u>
<b>Uses</b>				
Bond principal paid				
Bond interest paid				
Vouchers paid				
Claims paid		483		
Escrow withdrawals				
N.J. Wastewater admin. fees				
Transfers - unrestricted funds	6,932		277,990	64,425
Total uses	<u>6,932</u>	<u>483</u>	<u>277,990</u>	<u>64,425</u>
<b>Increase (decrease)</b>	2,457	2,624	77,714	(21,605)
<b>Balance, beginning of year</b>	<u>299,964</u>	<u>124,176</u>	<u>784,237</u>	<u>2,329,893</u>
<b>Balance, end of year</b>	<u>\$ 302,421</u>	<u>\$ 126,800</u>	<u>\$ 861,951</u>	<u>\$ 2,308,288</u>
<b>Balance comprised of</b>				
Cash and cash equivalents	\$ 302,421	\$ 126,800	\$ 861,951	\$ 2,308,288
Investments:				
Certificates of deposit				
	<u>\$ 302,421</u>	<u>\$ 126,800</u>	<u>\$ 861,951</u>	<u>\$ 2,308,288</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

	Future Reconstruct. Replacement Reserve	Bond Service 2005 Issue	2006 NJEIT Bond Service	CPV Escrow
<b>Sources</b>				
Interest income	\$ 33,805	\$ -	\$ -	\$ 942
Miscellaneous income				
Expense reimbursement				
Escrow deposits				
Transfers – unrestricted funds		884,655	5,390,499	
Budget appropriation	500,000			
Total sources	<u>533,805</u>	<u>884,655</u>	<u>5,390,499</u>	<u>942</u>
<b>Uses</b>				
Bond principal paid		788,842	4,689,025	
Bond interest paid		74,303	583,319	
Vouchers paid				
Claims paid				
Escrow withdrawals				
N.J. Wastewater admin. fees		21,510	118,155	
Transfers - unrestricted funds				
Total uses	<u>-</u>	<u>884,655</u>	<u>5,390,499</u>	<u>-</u>
<b>Increase (decrease)</b>	533,805	-	-	942
<b>Balance, beginning of year</b>	<u>4,717,999</u>	<u>-</u>	<u>-</u>	<u>140,762</u>
<b>Balance, end of year</b>	<u>\$ 5,251,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,704</u>
<b>Balance comprised of</b>				
Cash and cash equivalents	\$ 5,251,804	\$ -	\$ -	\$ 141,704
Investments:				
Certificates of deposit	-	-	-	-
	<u>\$ 5,251,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,704</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

	2010 Traditional Debt Service	WWD FSA Escrow	Northeast Remsco Retainage	2007 Construction Fund
<b>Sources</b>				
Interest income	\$ -	\$ 202	\$ -	\$ 4
Miscellaneous income				
Expense reimbursement				
Escrow deposits		17,240		
Transfers – unrestricted funds	920,708			
Budget appropriation				
Total sources	<u>920,708</u>	<u>17,442</u>	<u>-</u>	<u>4</u>
<b>Uses</b>				
Bond principal paid	831,227			
Bond interest paid	77,632			
Vouchers paid				
Claims paid		20,144		
Escrow withdrawals				
N.J. Wastewater admin. fees	11,849			
Transfers - unrestricted funds				
Total uses	<u>920,708</u>	<u>20,144</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease)</b>	-	(2,702)	-	4
<b>Balance, beginning of year</b>	<u>-</u>	<u>46,503</u>	<u>468</u>	<u>1,087</u>
<b>Balance, end of year</b>	<u>\$ -</u>	<u>\$ 43,801</u>	<u>\$ 468</u>	<u>\$ 1,091</u>
<b>Balance comprised of</b>				
Cash and cash equivalents	\$ -	\$ 43,801	\$ 468	\$ 91
Investments:				
Certificates of deposit	-	-	-	1,000
	<u>\$ -</u>	<u>\$ 43,801</u>	<u>\$ 468</u>	<u>\$ 1,091</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

	2014A Bond Service	Kenny Construction Retainage	2010B OSPS Debt Service	2021 A-1 Debt Service	2016A Bond Service
<b>Sources</b>					
Interest income	\$ -	\$ 708	\$ -	\$ -	\$ -
Miscellaneous income					
Expense reimbursement					
Escrow deposits					
Transfers – unrestricted funds	317,713		704,439	514,160	1,140,765
Budget appropriation					
Total sources	<u>317,713</u>	<u>708</u>	<u>704,439</u>	<u>514,160</u>	<u>1,140,765</u>
<b>Uses</b>					
Bond principal paid	279,501		552,593	432,444	1,000,107
Bond interest paid	34,102		135,751	75,295	126,002
Vouchers paid					
Claims paid					
Escrow withdrawals					
N.J. Wastewater admin. fees	4,110		16,095	6,421	14,656
Transfers - unrestricted funds					
Total uses	<u>317,713</u>	<u>-</u>	<u>704,439</u>	<u>514,160</u>	<u>1,140,765</u>
<b>Increase (decrease)</b>	-	708	-	-	-
<b>Balance, beginning of year</b>	-	106,071	-	-	-
<b>Balance, end of year</b>	<u>\$ -</u>	<u>\$ 106,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Balance comprised of</b>					
Cash and cash equivalents	\$ -	\$ 106,779	\$ -	\$ -	\$ -
Investments:					
Certificates of deposit	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 106,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

	<u>Spectraserv Escrow</u>	<u>2019A-1 NJEIT Debt Service</u>	<u>2020A-1 NJEIT Debt Service</u>	<u>Debt Service Rate Stabilization</u>	<u>Total Restricted Accounts</u>
<b>Sources</b>					
Interest income	\$ 2,250	\$ -	\$ -	\$ 6,086	\$ 147,825
Miscellaneous income					7,379
Expense reimbursement					3,815,586
Escrow deposits					19,516
Transfers – unrestricted funds		888,494	1,207,633	4,000,000	19,652,771
Budget appropriation					1,850,000
Total sources	<u>2,250</u>	<u>888,494</u>	<u>1,207,633</u>	<u>4,006,086</u>	<u>25,493,077</u>
<b>Uses</b>					
Bond principal paid		775,584	1,011,643		13,683,714
Bond interest paid		100,925	180,376		1,711,088
Vouchers paid					10,798,820
Claims paid					20,627
Escrow withdrawals	1,957,462				1,957,462
N.J. Wastewater admin. fees		11,985	15,614		257,969
Transfers - unrestricted funds					6,849,347
Total uses	<u>1,957,462</u>	<u>888,494</u>	<u>1,207,633</u>	<u>-</u>	<u>35,279,027</u>
<b>Increase (decrease)</b>	(1,955,212)	-	-	4,006,086	(9,785,950)
<b>Balance, beginning of year</b>	<u>1,955,212</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>40,693,380</u>
<b>Balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,006,086</u>	<u>\$ 30,907,430</u>
<b>Balance comprised of</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 86	\$ 9,321,430
Investments:					
Certificates of deposit	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,006,000</u>	<u>21,586,000</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,006,086</u>	<u>\$ 30,907,430</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
SOLID WASTE DIVISION

YEAR ENDED DECEMBER 31, 2022

	General Liability Insurance Fund	Collision Insurance Reserve	Worker's Compensation Insurance	Land Acquisition and Improvement Reserve
<b>Sources</b>				
Interest income	\$ 26,044	\$ 1,329	\$ 4,744	\$ 38,195
Miscellaneous income				
Due from Wastewater Division				1,000,000
Retainage deposits				
Escrow deposits				
Transfers – unrestricted funds				
Transfer – Interfund				
Budget appropriation			100,000	
Total sources	<u>26,044</u>	<u>1,329</u>	<u>104,744</u>	<u>1,038,195</u>
<b>Uses</b>				
Bond principal paid				
Bond interest paid				
Vouchers paid	11,369	4,406	116,410	
Miscellaneous expense				
Trustee fee				
NJEIT Admin fee				
Transfers – Interfund				
Total uses	<u>11,369</u>	<u>4,406</u>	<u>116,410</u>	<u>-</u>
<b>Net increase (decrease) in the fair value of investments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease)</b>	14,675	(3,077)	(11,666)	1,038,195
<b>Balance, beginning of year</b>	<u>2,911,240</u>	<u>199,025</u>	<u>736,755</u>	<u>5,868,271</u>
<b>Balance, end of year</b>	<u>\$ 2,925,915</u>	<u>\$ 195,948</u>	<u>\$ 725,089</u>	<u>\$ 6,906,466</u>
<b>Balance comprised of</b>				
Cash and cash equivalents	\$ 2,925,915	\$ 195,948	\$ 725,089	\$ 6,906,466
Investments:				
Certificates of deposit				
Treasury notes				
Other government obligations				
	<u>\$ 2,925,915</u>	<u>\$ 195,948</u>	<u>\$ 725,089</u>	<u>\$ 6,906,466</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
SOLID WASTE DIVISION

YEAR ENDED DECEMBER 31, 2022

	DEP Closure Phase I	Environmental Self Insurance	Closure/ Post- Closure I	Closure/ Post- Closure II
<b>Sources</b>				
Interest income	\$ 27,300	\$ 129,622	\$ 4,120	\$ 525,627
Miscellaneous income				68,682
Due from Wastewater Division				
Retainage deposits				
Escrow deposits		1,957,462		3,115,707
Transfers – unrestricted funds				
Transfer – Interfund				2,341,412
Budget appropriation				
Total sources	<u>27,300</u>	<u>2,087,084</u>	<u>4,120</u>	<u>6,051,428</u>
<b>Uses</b>				
Bond principal paid				
Bond interest paid				
Vouchers paid				
Miscellaneous expense				
Trustee fee				56,555
NJEIT Admin fee				
Transfers – Interfund			2,341,412	
Total uses	<u>-</u>	<u>-</u>	<u>2,341,412</u>	<u>56,555</u>
<b>Net increase (decrease) in the fair value of investments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,832,331)</u>
<b>Increase (decrease)</b>	27,300	2,087,084	(2,337,292)	4,162,542
<b>Balance, beginning of year</b>	4,080,658	19,450,551	2,337,292	43,988,872
<b>Balance, end of year</b>	<u>\$ 4,107,958</u>	<u>\$ 21,537,635</u>	<u>\$ -</u>	<u>\$ 48,151,414</u>
<b>Balance comprised of</b>				
Cash and cash equivalents	\$ 4,107,958	\$ 21,537,635	\$ -	\$ 66,543
Investments:				
Certificates of deposit				3,386,312
Treasury notes				44,698,559
Other government obligations				
	<u>\$ 4,107,958</u>	<u>\$ 21,537,635</u>	<u>\$ -</u>	<u>\$ 48,151,414</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
SOLID WASTE DIVISION

YEAR ENDED DECEMBER 31, 2022

	CJ Nesti Soil Escrow	Supplemental Fund	Public Liability Insurance Reserve	Aforce Escrow
<b>Sources</b>				
Interest income	\$ 2,106	\$ 12,678	\$ 12,802	\$ 2,108
Miscellaneous income				
Due from Wastewater Division				
Retainage deposits				
Escrow deposits				
Transfers – unrestricted funds				
Transfer – Interfund				
Budget appropriation				
Total sources	<u>2,106</u>	<u>12,678</u>	<u>12,802</u>	<u>2,108</u>
<b>Uses</b>				
Bond principal paid				
Bond interest paid				
Vouchers paid				
Miscellaneous expense				
Trustee fee				
NJEIT Admin fee				
Transfers – Interfund				
Total uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in the fair value of investments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease)</b>	2,106	12,678	12,802	2,108
<b>Balance, beginning of year</b>	<u>314,860</u>	<u>2,092,423</u>	<u>2,110,852</u>	<u>315,193</u>
<b>Balance, end of year</b>	<u>\$ 316,966</u>	<u>\$ 2,105,101</u>	<u>\$ 2,123,654</u>	<u>\$ 317,301</u>
<b>Balance comprised of</b>				
Cash and cash equivalents	\$ 316,966	\$ 2,105,101	\$ 2,123,654	\$ 317,301
Investments:				
Certificates of deposit				
Treasury notes				
Other government obligations				
	<u>\$ 316,966</u>	<u>\$ 2,105,101</u>	<u>\$ 2,123,654</u>	<u>\$ 317,301</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
SOLID WASTE DIVISION

YEAR ENDED DECEMBER 31, 2022

	Construction Reserve	Northeast Remsco Retainage	Service Fee Escrow	Reconstruction/ Replacement Reserve
<b>Sources</b>				
Interest income	\$ 7,485	\$ 194	\$ 7,550	\$ 25,557
Miscellaneous income				
Due from Wastewater Division				
Retainage deposits				
Escrow deposits			3,042,425	
Transfers – unrestricted funds				
Transfer – Interfund				
Budget appropriation				500,000
<b>Total sources</b>	<u>7,485</u>	<u>194</u>	<u>3,049,975</u>	<u>525,557</u>
<b>Uses</b>				
Bond principal paid				
Bond interest paid				
Vouchers paid			2,899,929	
Miscellaneous expense				
Trustee fee				
NJEIT Admin fee				
Transfers – Interfund				
<b>Total uses</b>	<u>-</u>	<u>-</u>	<u>2,899,929</u>	<u>-</u>
<b>Net increase (decrease) in the fair value of investments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease)</b>	7,485	194	150,046	525,557
<b>Balance, beginning of year</b>	<u>1,118,828</u>	<u>28,960</u>	<u>424,231</u>	<u>3,682,536</u>
<b>Balance, end of year</b>	<u>\$ 1,126,313</u>	<u>\$ 29,154</u>	<u>\$ 574,277</u>	<u>\$ 4,208,093</u>
<b>Balance comprised of</b>				
Cash and cash equivalents	\$ 1,126,313	\$ 29,154	\$ 574,277	\$ 4,208,093
Investments:				
Certificates of deposit				
Treasury notes				
Other government obligations				
	<u>\$ 1,126,313</u>	<u>\$ 29,154</u>	<u>\$ 574,277</u>	<u>\$ 4,208,093</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN  
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS  
SOLID WASTE DIVISION

YEAR ENDED DECEMBER 31, 2022

	2009A Debt Service	DEP Closure Phase II Amboy	United Energy Soil Escrow	SWD FSA Escrow	Total
<b>Sources</b>					
Interest income	\$ -	\$ 174,325	\$ 2,106	\$ 10	\$ 1,003,902
Miscellaneous income					68,682
Due from Wastewater Division					1,000,000
Retainage deposits					
Escrow deposits		540,780			8,656,374
Transfers – unrestricted funds	1,912,875				1,912,875
Transfer – Interfund					2,341,412
Budget appropriation					600,000
Total sources	<u>1,912,875</u>	<u>715,105</u>	<u>2,106</u>	<u>10</u>	<u>15,583,245</u>
<b>Uses</b>					
Bond principal paid	1,761,482				1,761,482
Bond interest paid	117,058				117,058
Vouchers paid					3,032,114
Miscellaneous expense					
Trustee fee		30,652			87,207
NJEIT Admin fee	34,335				34,335
Transfers – Interfund					2,341,412
Total uses	<u>1,912,875</u>	<u>30,652</u>	<u>-</u>	<u>-</u>	<u>7,373,608</u>
<b>Net increase (decrease) in the fair value of investments</b>	<u>-</u>	<u>(741,977)</u>	<u>-</u>	<u>-</u>	<u>(2,574,308)</u>
<b>Increase (decrease)</b>	-	(57,524)	2,106	10	5,635,329
<b>Balance, beginning of year</b>	-	23,295,034	314,860	1,698	113,272,139
<b>Balance, end of year</b>	<u>\$ -</u>	<u>\$ 23,237,510</u>	<u>\$ 316,966</u>	<u>\$ 1,708</u>	<u>\$ 118,907,468</u>
<b>Balance comprised of</b>					
Cash and cash equivalents	\$ -	\$ 5,267,785	\$ 316,966	\$ 1,708	\$ 52,852,872
Investments:					
Certificates of deposit					3,386,312
Treasury notes					44,698,559
Other government obligations		17,969,725			17,969,725
	<u>\$ -</u>	<u>\$ 23,237,510</u>	<u>\$ 316,966</u>	<u>\$ 1,708</u>	<u>\$ 118,907,468</u>

**MIDDLESEX COUNTY UTILITIES AUTHORITY**

**SUPPLEMENTARY INFORMATION - SCHEDULE OF CAPITAL ASSETS**

**December 31, 2022**

**Wastewater Division**

	<b>Acquired with Capital Contributions</b>	<b>Acquired with Other than Capital Contributions</b>	<b>Combined Totals</b>
Land		\$ 8,401,828	\$ 8,401,828
Buildings and improvements	\$ 48,000,535	257,256,805	305,257,340
Improvements other than buildings	122,703,613	442,615,864	565,319,477
Machinery and equipment		53,652,566	53,652,566
Furniture and fixtures		170,056	170,056
Landfill gas collection facility		75,663,913	75,663,913
Landfill gas collection equipment		15,030,022	15,030,022
	<u>\$ 170,704,148</u>	<u>\$ 852,791,054</u>	<u>\$ 1,023,495,202</u>

**Solid Waste Division**

	<b>Acquired with Capital Contributions</b>	<b>Acquired with Other than Capital Contributions</b>	<b>Combined Totals</b>
Land		\$ 37,934,488	\$ 37,934,488
Landfill and landfill expansion including initial preparatory cost		241,597,650	241,597,650
Buildings		11,345,822	11,345,822
Improvements other than buildings		40,008,676	40,008,676
Machinery and equipment		13,512,929	13,512,929
	<u>\$ -</u>	<u>\$ 344,399,565</u>	<u>\$ 344,399,565</u>

Note: Excludes construction in progress.

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF ACCUMULATED DEPRECIATION  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

	Accumulated Depreciation January 1, 2022	Depreciation Expense	Accumulated Depreciation December 31, 2022
Buildings and improvements:			
Acquired with capital contributions	\$ 40,272,166	\$ 1,019,189	\$ 41,291,355
Other	78,191,823	6,208,888	84,400,711
Improvements other than buildings:			
Acquired with capital contributions	88,949,463	2,567,025	91,516,488
Other	177,277,049	11,934,336	189,211,385
Machinery and equipment	27,606,752	3,651,052	31,257,804
Furniture and fixtures	68,311	19,578	87,889
Landfill gas collection facility	43,395,082	3,615,607	47,010,689
Landfill gas collection equipment	4,939,269	844,019	5,783,288
	<u>\$ 460,699,915</u>	<u>\$ 29,859,694</u>	<u>\$ 490,559,609</u>
Analysis:			
Depreciation attributable to assets acquired with capital contributions	\$ 129,221,629	\$ 3,586,214	\$ 132,807,843
Depreciation attributable to assets acquired with other than capital contributions	331,478,286	26,273,480	357,751,766
	<u>\$ 460,699,915</u>	<u>\$ 29,859,694</u>	<u>\$ 490,559,609</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF ACCUMULATED DEPRECIATION  
SOLID WASTE DIVISION

YEAR ENDED DECEMBER 31, 2022

	<b>Accumulated Depreciation January 1, 2022</b>	<b>Depreciation Expense</b>	<b>Accumulated Depreciation December 31, 2022</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Landfill and landfill expansion including initial preparatory cost	\$ 241,597,650		\$ 241,597,650
Buildings	9,579,152	\$ 318,055	9,897,207
Improvements other than buildings	10,208,210	2,048,810	12,257,020
Machinery and equipment	6,480,508	1,430,536	7,911,044
	<u>\$ 267,865,520</u>	<u>\$ 3,797,401</u>	<u>\$ 271,662,921</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF CONSTRUCTION IN PROGRESS

YEAR ENDED DECEMBER 31, 2022

	Total Costs through January 1, 2022	Increases January - December 31, 2022	Decreases January - December 31, 2022	Total Costs through December 31, 2022
<b><u>Wastewater Division</u></b>				
Final Tank Rehab	\$ 145,679	\$ 351,744		\$ 497,423
Storage Building	885,058	157,365		1,042,423
Dewatering Bldg Roof Rehab	96,990			96,990
Primary Tank Rehab	58,721	16,190		74,911
Primary Tank Rehab - Phase IV - Emergency Work	1,448,909	321,779		1,770,688
Gravity Thickener Phase II	305,573	98,745		404,318
Meter Chamber Upgrade Phase II	315,028			315,028
Outfall Repairs	1,063,250	1,151		1,064,401
Main Trunk Sewer Phase III	746,893			746,893
RAS Pipe Rehab	330,498			330,498
Grit Chamber Upgrade	527,558	540,240		1,067,798
Process Air Piping Upgrade	120,761	68,350		189,111
Advanced Digestion	396,406	104,247		500,653
Septage Handling Improvements	46,664	2,650		49,314
LFG Booster Pump Project	72,591	50,594		123,185
BBPS Building Replacement	390,335	93,158		483,493
GBPS Bar Screen Replacement	248,107	142,586		390,693
GBPS FEMA- Rest/Mit (Ida)	2,043,669	1,121,605		3,165,274
Hypo Tank Replacement	17,101	122,063		139,164
Maint/Annex Rehab		82,001		82,001
New Dewatering Building		622,267		622,267
Other Assets Purchased		1,337,959		1,337,959
Cloth Media Filtration System Upgrade		43,585		43,585
Wind Turbine		590		590
Solar Panel Canopies		36,050		36,050
New Cogen Facility		662,942		662,942
RSPS Rehab-Phase I		73,469		73,469
RNG/Alternate Power Supply		26,422		26,422
	<u>\$ 9,259,791</u>	<u>\$ 6,077,752</u>	<u>\$ -</u>	<u>\$ 15,337,543</u>
<b><u>Solid Waste Division</u></b>				
Phase II Temporary Cap	\$ 935,309	\$ 364,116	\$ 1,299,425	
Oncall Geomembrane Cover	407,002		407,002	
LF HVAC Upgrade		24,758		\$ 24,758
Other Assets Purchased		13,640		13,640
	<u>\$ 1,342,311</u>	<u>\$ 402,514</u>	<u>\$ 1,706,427</u>	<u>\$ 38,398</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF REVENUE SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2022

	Balance January 1, 2022	Bonds Issued Current Period	Principal Reduction	Balance December 31, 2022	Analysis of Balance	
					Current Portion	Due Long-Term
<b><u>Wastewater Division</u></b>						
Issue of 2005A - N.J. IB (Federal)	\$ 1,403,256		\$ 350,566	\$ 1,052,690	\$ 350,081	\$ 702,609
Issue of 2005A - N.J. IB (State)	1,862,282		438,276	1,424,006	455,033	968,973
Issue of 2006 - N.J. IB (Federal)	10,122,390		2,024,592	8,097,798	2,024,132	6,073,666
Issue of 2006 - N.J. IB (State)	14,153,433		2,664,433	11,489,000	2,770,092	8,718,908
Issue of 2009A - N.J. IB (Federal)	3,801,147		494,867	3,306,280	494,866	2,811,414
Issue of 2009A - N.J. IB (State)	4,658,000		505,000	4,153,000	526,000	3,627,000
Issue of 2009 C-1 - N.J. IB (Trust/State)	1,499,000		161,000	1,338,000	170,000	1,168,000
Issue of 2009 C-2 - N.J. IB (Trust/State)	1,941,000		213,000	1,728,000	218,000	1,510,000
Issue of 2009 D-1 - N.J. IB (Federal)	1,775,054		221,881	1,553,173	221,882	1,331,291
Issue of 2009 D-2 - N.J. IB (Federal)	4,945,812		618,226	4,327,586	618,227	3,709,359
Issue of 2010B - N.J. IB (Federal)	2,642,340		293,594	2,348,746	293,593	2,055,153
Issue of 2010B - N.J. IB (Trust/State)	2,857,000		259,000	2,598,000	273,000	2,325,000
Issue of 2014A - N.J. IB (Federal)	2,574,017		214,502	2,359,515	214,501	2,145,014
Issue of 2014A - N.J. IB (Trust/State)	985,000		65,000	920,000	70,000	850,000
Issue of 2016A - N.J. IB (Federal)	10,670,007		780,107	9,889,900	780,107	9,109,793
Issue of 2016A - N.J. IB (Trust/State)	3,851,167		220,000	3,631,167	230,000	3,401,167
Issue of 2019A - N.J. IB (Federal)	10,549,931		620,585	9,929,346	620,584	9,308,762
Issue of 2019A - N.J. IB (Trust/State)	3,705,000		155,000	3,550,000	165,000	3,385,000
Issue of 2020A - N.J. IB (Federal)	14,789,569		821,642	13,967,927	821,643	13,146,284
Issue of 2020A - N.J. IB (Trust/State)	5,025,000		190,000	4,835,000	200,000	4,635,000
Issue of 2021A - N.J. IB (Federal)	6,791,442		357,444	6,433,998	357,444	6,076,554
Issue of 2021A - N.J. IB (Trust/State)	2,140,000		75,000	2,065,000	80,000	1,985,000
2021 Solar Project	9,860,000		1,940,000	7,920,000	1,955,000	5,965,000
	<u>\$ 122,601,847</u>	<u>\$ -</u>	<u>\$ 13,683,715</u>	<u>\$ 108,918,132</u>	<u>\$ 13,909,185</u>	<u>\$ 95,008,947</u>
<b><u>Solid Waste Division</u></b>						
Issue of 2009A - N.J. IB (Federal)	\$ 2,242,944		\$ 824,482	\$ 1,418,462	\$ 824,482	\$ 593,980
Issue of 2009A - N.J. IB (Trust/State)	2,927,000		937,000	1,990,000	976,000	1,014,000
	<u>\$ 5,169,944</u>	<u>\$ -</u>	<u>\$ 1,761,482</u>	<u>\$ 3,408,462</u>	<u>\$ 1,800,482</u>	<u>\$ 1,607,980</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF OPERATING REVENUES  
AND COSTS FUNDED BY OPERATING REVENUES COMPARED TO BUDGET  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

Description	Annual Budget	Actual	Unrealized (Excess Over) Under Budget
<b>Operating Revenues</b>			
Appropriated net position			(1)
Bond reserve refund	\$ 5,000,000		(1) \$ 5,000,000
Annual charges	87,282,300	\$ 85,472,052	1,810,248
Treatment of septic tank waste	250,000	399,979	(149,979)
Service fees, review of plans, etc.	2,000	22,725	(20,725)
Industrial pretreatment program fees	40,000	31,075	8,925
Miscellaneous income	200,000	602,891	(402,891)
Interest on investments and deposits	25,000	261,168	(2) (236,168)
Management fees	1,980,000	1,980,000	
Sampling, lab fees, and analytical services	40,000	96,961	(56,961)
Groundwater discharge fees	800,000	778,392	21,608
Penalty assessments	20,000	159,600	(139,600)
Effluent reuse sales	700,000	742,513	(42,513)
Sale of synthetic soil	400,000	347,908	52,092
Sale of landfill gas	4,005,000	4,032,654	(27,654)
Linde	2,150,000	2,032,901	117,099
Grants	18,395,000	1,130,602	17,264,398
Electric generation income and Solar Power	1,060,000	917,111	142,889
Total revenues	<u>122,349,300</u>	<u>99,008,532</u>	<u>23,340,768</u>
Less: Revenues to fund Bonded and Reimbursable projects			
Grants	<u>(18,395,000)</u>	<u>(1,130,602)</u>	<u>(17,264,398)</u>
Total operating revenues less revenues to fund bonded and reimbursable projects	<u>\$ 103,954,300</u>	<u>\$ 97,877,930</u>	<u>\$ 6,076,370</u>
<b>Operating Expenses</b>			
<b>Salaries and wages</b>			
Central Administration	\$ 2,016,600	\$ 1,511,835	\$ 504,765
WWD Administration	2,592,000	2,354,296	237,704
Operations	3,060,000	3,199,443	(139,443)
Operations (solids)	2,094,000	2,231,442	(137,442)
Laboratory	1,809,000	1,729,895	79,105
Maintenance	4,576,000	4,158,529	417,471
Sayreville pump station	884,000	920,200	(36,200)
Lines and meters	1,238,000	1,202,988	35,012
Temporary help	25,000	31,258	(6,258)
Total salaries and wages	<u>18,294,600</u>	<u>17,339,886</u>	<u>954,714</u>
(1) Not an operating revenue for GAAP purposes.			
(2) Includes non-budgeted interest earned on restricted funds of:		<u>46,816</u>	

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF OPERATING REVENUES  
AND COSTS FUNDED BY OPERATING REVENUES COMPARED TO BUDGET  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

Description	Annual Budget	Actual	Unrealized (Excess Over) Under Budget
<b>Administration</b>			
Pension expense	\$ 2,100,000	\$ 2,436,249	\$ (336,249)
Social security tax	1,350,000	1,244,050	105,950
Disability insurance	120,000	72,853	47,147
Medical plan	2,041,000	2,085,063	(44,063)
Dental and vision plan	130,000	118,939	11,061
Retired employees/survivor benefits	2,834,000	2,465,197	368,803
Prescription plan	1,122,000	920,272	201,728
Paid sick leave	350,000	228,371	121,629
Insurance	1,874,000	2,201,523	(327,523)
Professional fees	3,287,500	2,726,395	561,105
Regulatory fees and permits	828,000	821,753	6,247
Host community benefits	1,693,000	1,691,760	1,240
General administrative expenses	1,036,700	1,148,659	(111,959)
Interest expense on early retirement incentive liabilities		105,031	(105,031)
Environmental studies	268,000	131,315	136,685
Total administration	19,034,200	18,397,430	636,770
<b>Central Treatment Plant</b>			
Chemicals	2,791,000	4,079,636	(1,288,636)
Health, safety and training	439,000	383,638	55,362
Power and light	2,086,000	2,960,925	(874,925)
Fuel oil	1,591,000	2,885,531	(1,294,531)
Water	225,000	447,807	(222,807)
Grit processing	270,000	200,991	69,009
Transportation of synthetic soil	2,356,000	3,034,306	(678,306)
Maintenance	5,382,100	5,772,212	(390,112)
Laboratory	403,500	316,757	86,743
Industrial pretreatment program	120,000	102,906	17,094
Transportation	268,000	331,973	(63,973)
Electric generation plant	9,199,000	10,786,543	(1,587,543)
Operations	1,196,000	1,173,498	22,502
Total central treatment plant	26,326,600	32,476,723	(6,150,123)

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF OPERATING REVENUES  
AND COSTS FUNDED BY OPERATING REVENUES COMPARED TO BUDGET  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

Description	Annual Budget	Actual	Unrealized (Excess Over) Under Budget
<b>Sayreville Pumping Station</b>			
Power and light	\$ 735,000	\$ 896,473	\$ (161,473)
Water	20,000	15,269	4,731
Maintenance	163,000	475,004	(312,004)
Total Sayreville Pumping Station	<u>918,000</u>	<u>1,386,746</u>	<u>(468,746)</u>
<b>Edison Pumping Station</b>			
Power and light	172,000	292,040	(120,040)
Water	10,000	13,474	(3,474)
Maintenance	87,000	36,471	50,529
Total Edison Pumping Station	<u>269,000</u>	<u>341,985</u>	<u>(72,985)</u>
<b>Bound Brook Pumping Station</b>			
Power and light	30,000	29,922	78
Water	1,000	2,882	(1,882)
Maintenance	16,000	22,415	(6,415)
Total Bound Brook Pumping Station	<u>47,000</u>	<u>55,219</u>	<u>(8,219)</u>
<b>Green Brook Pumping Station</b>			
Power and light	40,000	51,713	(11,713)
Water	6,000	8,533	(2,533)
Maintenance	19,500	13,465	6,035
Total Green Brook Pumping Station	<u>65,500</u>	<u>73,711</u>	<u>(8,211)</u>
<b>South Amboy Pumping Station</b>			
Power and light	90,000	105,465	(15,465)
Water	15,000	16,716	(1,716)
Maintenance	58,500	26,330	32,170
Total South Amboy Pumping Station	<u>163,500</u>	<u>148,511</u>	<u>14,989</u>
<b>Lines, Meters and Small Pumping Stations</b>			
Power and light	12,000	8,637	3,363
Rental of rights of way	12,700	13,532	(832)
Maintenance	1,436,800	1,431,490	5,310
Total Lines, Meters and Small Pumping Stations	<u>1,461,500</u>	<u>1,453,659</u>	<u>7,841</u>
<b>Hurricane loss</b>			
Administration	<u>                    </u>	846	(846)
***Total Hurricane Loss	<u>                    </u>	846	(846)
Less: Reimbursable projects***	<u>                    </u>	(846)	846
Total operating expense budget	<u>\$ 66,579,900</u>	<u>\$ 71,673,870</u>	<u>\$ (5,093,970)</u>

\*\*\*Reimbursable projects - Expenses expected to be reimbursed by third parties and not funded by operating revenue.

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF OPERATING REVENUES  
AND COSTS FUNDED BY OPERATING REVENUES COMPARED TO BUDGET  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

Description	Annual Budget	Actual	Unrealized (Excess Over) Under Budget
<b>Capital Outlays</b>			
Administration			
Computer	\$ 114,000	\$ 144,168	\$ (30,168)
Furniture and fixtures	50,000	29,239	20,761
Building improvements	50,000		
Security upgrades	250,000	213,430	
Machinery & equipment	15,000		15,000
Pumping stations:			
Sayreville Pumping Station	45,000		45,000
Edison Pumping Station	5,000		5,000
Green Brook Pumping Station	370,000	142,586	227,414
South Amboy Pumping Station	98,000	135,387	(37,387)
Bound Brook Pumping Station	50,000		50,000
Lines, meters and small pumping stations:			
Machinery and equipment	100,000		100,000
Pipeline repair	2,375,000	1,925,700	449,300
Hayden inteceptor	150,000		150,000
Supplemental outfall repairs	2,140,000	1,151	2,138,849
Pump station, permanent restoration / mitigation:			
Sayreville Pumping Station		57,923	(57,923)
Edison Pumping Station		7,406	(7,406)
Electric Generation:			
Landfill gas collection system	6,630,000	4,424,214	2,205,786
CoGeneration Plant	150,000	662,942	(512,942)
Central treatment plant:			
Furniture and fixtures	50,000	20,593	29,407
Machinery and equipment	1,175,000	1,154,075	20,925
Odor Control System Updates	295,000	167,806	127,194
Electrical equipment/instrumentation	120,000	166,735	(46,735)
Process water screens / engineering	90,000	160,540	(70,540)
Unox mixers / deck seal vent valves	250,000	122,063	127,937
Oxygen facility machinery and equipment	290,000	124,163	165,837
Roof reconstruction	25,000	247,949	(222,949)
Dewatering building thickened sludge rehabilitation	25,000	24,620	380
Warehouse	20,000	157,365	(137,365)
Cloth media filtration system upgrades		43,585	(43,585)
Septage Handling		2,650	(2,650)
DW building-design & engineering		597,647	(597,647)
Advanced digestion, Biosolids and Renewable Energy	250,000	104,248	145,752
Sidewalks/roads/watermains		262,262	(262,262)

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF OPERATING REVENUES  
AND COSTS FUNDED BY OPERATING REVENUES COMPARED TO BUDGET  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

Description	Annual Budget	Actual	Unrealized (Excess Over) Under Budget
Wind power	\$ 50,000	\$ 590	\$ 49,410
Solar Project	100,000	36,050	63,950
Vehicles	355,000	231,899	123,101
Capital outlays funded by operating revenues	<u>15,687,000</u>	<u>11,368,986</u>	<u>4,231,444</u>
<b>Projects Funded by Other Sources (FEMA, NJIB, Grants)</b>			
Main trunk sewer III	100,000		100,000
Primary tanks - Phase 4	2,660,000	337,968	2,322,032
Final tanks - Phase 4	2,450,000	351,745	2,098,255
Grit chamber upgrades	780,000	540,240	239,760
ANC Ring Network	480,000		480,000
RNG/alternate power supply		26,422	(26,422)
Landfill Gas Booster	1,100,000	50,594	1,049,406
Maintenance annex rehab	2,650,000	82,001	2,567,999
RSPS pipe rehab	2,380,000	73,469	2,306,531
Process air piping upgrades	1,200,000	68,349	1,131,651
Gravity thickener	2,250,000	98,745	2,151,255
Bound Brook Pumping Station	45,000	93,158	(48,158)
Green Brook Emergency Repairs - Hurricane Ida	2,300,000	1,121,605	1,178,395
	<u>18,395,000</u>	<u>2,844,296</u>	<u>15,550,704</u>
Less: Bonded and reimbursable projects	<u>(18,395,000)</u>	<u>(2,844,296)</u>	<u>(15,550,704)</u>
Capital outlays funded by operating revenues	<u>\$ 15,687,000</u>	<u>\$ 11,368,986</u>	<u>\$ 4,231,444</u>
<b>Other Costs Funded by Operating Revenues</b>			
Future plant reconstruction and replacement	500,000	500,000	
Post-Closure Reserve-Landfill Gas System	750,000	750,000	
Solid Waste Division loan reserve	1,000,000	1,000,000	
	<u>2,250,000</u>	<u>2,250,000</u>	
Budget subtotal	<u>\$ 84,516,900</u>	<u>\$ 85,292,856</u>	<u>\$ (862,526)</u>
NJ- WWT - administrative fee		257,970	(257,970)
Total before debt service and amortization	<u>\$ 84,516,900</u>	<u>\$ 85,550,826</u>	<u>\$ (1,120,496)</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF OPERATING REVENUES  
AND COSTS FUNDED BY OPERATING REVENUES COMPARED TO BUDGET  
WASTEWATER DIVISION

YEAR ENDED DECEMBER 31, 2022

Description	Annual Budget	Actual	Unrealized (Excess Over) Under Budget
<b>Principal Maturities</b>			
2005 NJIB	\$ 788,800	\$ 788,842	\$ (42)
2006 EPS - wastewater treatment	4,689,000	4,689,025	(25)
2009 EPS wastewater treatment	999,900	999,867	33
2010A (Traditional) - Plant upgrades	831,200	831,226	19
2010A (ARRA) - switchgear	382,900	382,881	(26)
2010 - OSPS	552,600	552,594	6
2014 - Main Trunk Sewer I	279,500	279,502	(2)
2016 NJEIT - Elec Substation	1,000,100	1,000,107	(7)
2021 Main Trunk II	432,500	432,444	56
2019 FEMA/SAIL EPS Perm	775,600	775,585	15
Debt Service Rate Stabilization Fund	4,000,000	4,000,000	
2020 FEMA/SAIL SPS Perm	1,011,700	1,011,642	58
Solar project	1,940,000	1,940,000	
	<u>17,683,800</u>	<u>17,683,715</u>	<u>85</u>
<b>Interest Expense</b>			
2001A issue			
2005 - wastewater treatment	74,500	74,303	197
2006 EPS - wastewater treatment	598,800	583,319	15,481
2009 EPS wastewater treatment	186,300	186,302	(2)
2010A (Traditional) - Plant upgrades	77,700	77,632	68
2010A (ARRA) - switchgear	60,000	59,954	46
2010 - OSPS	135,800	135,751	49
2014 NJIB - Main Trunk Sewer I	34,100	34,102	(2)
2016 NJIB - Electric Substation Upgrade (estimated)	126,100	126,002	98
2019 Main Trunk II	75,300	75,295	5
2019 FEMA/SAIL EPS Perm	127,400	100,925	26,475
2020 FEMA/SAIL SPS Perm	180,400	180,376	24
Solar project	77,200	77,127	73
	<u>1,753,600</u>	<u>1,711,088</u>	<u>42,512</u>
Total actual costs funded by operating revenues	<u>\$ 103,954,300</u>	<u>\$ 104,945,629</u>	<u>\$ (991,329)</u>
(Deficiency) in revenues		<u>(7,067,699)</u>	<u>7,067,699</u>
Total actual costs funded by operating revenues and excess in revenues	<u>\$ 103,954,300</u>	<u>\$ 97,877,930</u>	<u>\$ 6,076,370</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF OPERATING REVENUES  
AND COSTS FUNDED BY OPERATING REVENUES COMPARED TO BUDGET  
SOLID WASTE DIVISION

YEAR ENDED DECEMBER 31, 2022

Description	Annual Budget	Actual	Unrealized (Excess Over) Under Budget
<b>Operating Revenues</b>			
Tipping fees	\$ 35,427,500	\$ 39,023,815	\$ (3,596,315)
Interest income	20,000	616,956 (1)	(596,956)
Soil program income	3,900,000	11,470,794	(7,570,794)
Service fee income	683,400	1,239,872	(556,472)
Miscellaneous income	1,016,000	191,458	824,542
Appropriations	250,000		250,000
Net decrease in the fair value of investments		(2,574,308)	2,574,308
Total operating revenues	<u>\$ 41,296,900</u>	<u>\$ 49,968,587</u>	<u>\$ (8,671,687)</u>
(1) Includes non-budgeted interest earned on restricted funds of \$255,820.			
<b>Operating Expenses</b>			
<b>Salaries and Wages</b>			
Administration	\$ 1,383,000	\$ 1,256,252	\$ 126,748
Operations	2,407,000	2,203,447	203,553
Temporary help	10,000	2,625	7,375
Total salaries and wages	<u>3,800,000</u>	<u>3,462,324</u>	<u>337,676</u>
<b>Administration</b>			
Public Employee Retirement System	400,000	428,205	(28,205)
Social Security tax	290,000	246,517	43,483
Employee benefits	1,286,000	1,176,057	109,943
Insurance	394,000	391,113	2,887
Professional fees	1,419,500	1,061,115	358,385
Regulatory fees and permits	325,000	314,364	10,636
General administrative expenses	2,274,900	2,254,197	20,703
Implementing agency fee	3,500,000	3,675,000	(175,000)
Total administration	<u>9,889,400</u>	<u>9,546,568</u>	<u>342,832</u>
<b>Landfill Operations</b>			
Host community benefits	6,255,000	6,454,903	(199,903)
Utilities	50,000	41,769	8,231
Maintenance	590,000	489,828	100,172
Operations	7,333,000	6,732,472	600,528
Transportation	63,000	64,007	(1,007)
Mandated charges	2,511,300	2,628,181	(116,881)
Total landfill operations	<u>16,802,300</u>	<u>16,411,160</u>	<u>391,140</u>
Budget subtotal	30,491,700	29,420,052	1,071,648
NJ - WWT and DEP - administrative fee	-	34,335	(34,335)
<b>Budget total before debt service, capital outlay and reserves</b>	<u>30,491,700</u>	<u>29,454,387</u>	<u>1,037,313</u>

MIDDLESEX COUNTY UTILITIES AUTHORITY

SUPPLEMENTARY INFORMATION - SCHEDULE OF OPERATING REVENUES  
AND COSTS FUNDED BY OPERATING REVENUES COMPARED TO BUDGET  
SOLID WASTE DIVISION

YEAR ENDED DECEMBER 31, 2022

Description	Annual Budget	Actual	Unrealized (Excess Over) Under Budget
<b>Debt Service</b>			
Bond principal	\$ 1,762,000	\$ 1,761,482	\$ 518
Interest on bonds	117,000	101,578	15,422
Total debt service	<u>1,879,000</u>	<u>1,863,060</u>	<u>15,940</u>
<b>Capital Outlay</b>			
Landfill - capital	5,215,000	1,667,201	3,547,799
<b>Reserves</b>	<u>3,711,200</u>	<u>2,897,928</u>	<u>813,272</u>
Total actual costs funded by operating revenues	<u>\$ 41,296,900</u>	<u>\$ 35,882,576</u>	<u>\$ 5,414,324</u>
Excess in revenues	<u>-</u>	<u>14,086,011</u>	<u>(14,086,011)</u>
Total actual costs funded by operating revenues and excess in revenues	<u>\$ 41,296,900</u>	<u>\$ 49,968,587</u>	<u>\$ (8,671,687)</u>

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
SUPPLEMENTARY INFORMATION - SCHEDULE OF LOADINGS AND CHARGES  
WASTEWATER DIVISION**

**YEAR ENDED DECEMBER 31, 2022**

	Total Annual Charges	Flow		Biochemical Oxygen Demand		Suspended Solids		Chlorine Demand	
		Million Gallons	Charges	Tons	Charges	Tons	Charges	CWT	Charges
<b>Municipalities</b>									
Bound Brook	\$ 1,084,939	453.770	\$ 402,721	487.300	\$ 295,242	481.810	\$ 358,816	136.220	\$ 28,159
Carteret	1,757,707	946.940	688,274	778.040	468,300	745.960	550,644	250.180	50,488
Cranbury	545,406	147.440	179,716	210.810	128,564	305.760	230,365	32.380	6,761
East Brunswick	3,470,039	1,342.190	908,853	1,739.130	1,029,012	2,085.800	1,453,992	392.920	78,182
Edison	10,261,289	5,293.440	3,050,640	4,990.340	2,860,184	6,141.760	4,125,346	1,170.510	225,119
Franklin Twp.	7,277,368	2,817.120	1,711,001	4,391.110	2,525,643	4,292.440	2,908,697	676.630	132,027
Highland Park	1,432,433	645.990	516,295	565.170	341,653	747.210	551,554	109.890	22,931
Metuchen	1,123,116	488.940	423,714	441.070	267,691	551.020	409,078	108.410	22,632
Middlesex	1,416,734	657.220	522,881	573.470	346,599	704.710	520,688	127.800	26,567
Monroe Twp.	4,247,944	1,413.710	948,720	2,073.310	1,219,261	2,921.650	2,006,765	366.740	73,198
New Brunswick	6,483,252	3,486.680	2,073,217	2,750.550	1,604,803	3,913.670	2,659,512	748.790	145,720
North Brunswick	3,112,938	1,821.660	1,171,396	1,254.970	747,550	1,601.960	1,133,662	300.560	60,329
Old Bridge	4,747,816	1,866.250	1,196,596	2,215.540	1,300,231	3,163.740	2,166,140	428.030	84,849
PARSA	9,629,086	4,727.430	2,744,437	5,718.320	3,266,600	4,941.210	3,335,519	1,484.570	282,530
Perth Amboy	4,449,178	1,714.290	1,114,365	3,524.690	2,041,938	1,664.560	1,175,110	601.480	117,766
Piscataway	5,952,051	2,973.050	1,795,354	3,143.610	1,828,570	3,172.920	2,172,177	802.700	155,951
Sayreville	4,169,160	1,418.890	951,606	2,053.800	1,208,151	2,822.110	1,941,309	340.660	68,094
South Bound Brook	392,113	149.320	178,155	147.090	89,952	155.560	117,436	31.460	6,570
South Amboy	703,478	261.010	269,059	281.770	171,570	330.410	248,781	67.370	14,068
South Brunswick	2,973,957	1,071.690	758,069	1,952.960	1,150,738	1,333.540	955,952	556.340	109,199
South River	1,415,397	629.060	506,367	684.930	413,025	626.630	463,990	155.610	32,015
Spotswood	1,054,705	206.360	228,579	498.500	301,919	688.440	508,875	73.420	15,332
Woodbridge	4,708,165	2,132.020	1,340,372	1,947.740	1,147,775	3,076.760	2,108,826	567.120	111,193
	<u>\$ 82,408,270</u>	<u>36,664.470</u>	<u>23,680,386</u>	<u>42,424.220</u>	<u>\$ 24,754,970</u>	<u>46,469.630</u>	<u>\$ 32,103,233</u>	<u>9,529.790</u>	<u>\$ 1,869,681</u>
<b>Industries</b>									
Ashland Aqualon	1,090,287	90.940	118,714	1,335.900	795,243	140.340	105,967	354.570	70,363
Equistar Chemicals	1,477,713	56.880	81,464	294.240	179,124	1,729.300	1,216,103	4.900	1,022
Lanxess	491,348	66.130	91,581	570.750	344,818	69.090	52,295	12.710	2,653
Schweitzer-Maudit	4,434	2.000	4,312	0.030	18	0.050	41	0.300	63
	<u>\$ 3,063,782</u>	<u>215.950</u>	<u>\$ 296,072</u>	<u>2,200.920</u>	<u>\$ 1,319,203</u>	<u>1,938.780</u>	<u>\$ 1,374,406</u>	<u>372.480</u>	<u>\$ 74,101</u>
	<u>\$ 85,472,052</u>	<u>36,880.420</u>	<u>\$ 23,976,458</u>	<u>44,625.140</u>	<u>\$ 26,074,174</u>	<u>48,408.410</u>	<u>\$ 33,477,639</u>	<u>9,902.270</u>	<u>\$ 1,943,782</u>

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
OTHER INFORMATION - SCHEDULE OF RATES  
WASTEWATER DIVISION**

**YEAR ENDED DECEMBER 31, 2022**

**Calculations for participants are made quarterly:**

**Operations and Maintenance Rates:**

Flow	Flat rate charge per Million Gallons	\$	417.75
Biochemical Oxygen Demand	Flat rate charge per Ton		504.37
Suspended Solids	Flat rate charge per Ton		578.25
Chlorine Demand	Flat rate charge per CWT		50.78

**Debt Service Rates:**

	<u>Million Gallons Charge Per Quarter</u>		<u>Charge Per Million Gallons</u>
Flow	First 5 at	\$	1,396.44
	Next 5 at		918.56
	Next 30 at		675.80
	Next 60 at		322.99
	Next 100 at		168.78
	Next 200 at		139.67
	Over 400 at		123.23
	<u>Tons Per Quarter</u>		<u>Charge Per Ton</u>
Biochemical Oxygen Demand	First 30 at	\$	108.43
	Next 70 at		101.63
	Next 100 at		91.59
	Next 200 at		80.89
	Next 400 at		64.92
	Over 800 at		53.91
Suspended Solids	First 10 at	\$	181.19
	Next 70 at		175.09
	Next 170 at		147.95
	Next 450 at		83.81
	Over 700 at		79.64
	<u>Short Hundredweights Per Quarter</u>		<u>Change Per Short Hundredweight</u>
Chlorine Demand	First 30 at	\$	158.04
	Next 60 at		144.56
	Next 180 at		138.99
	Next 540 at		132.02
	Over 810 at		124.11

**MIDDLESEX COUNTY UTILITIES AUTHORITY**  
**OTHER INFORMATION - ROSTER OF OFFICIALS**  
**AS OF DECEMBER 31, 2022**

<u>Authority Member</u>	<u>Position</u>	<u>Term</u>	<u>Amount of Surety</u>
John F. Wiley, Esq.	Chairman	1/31/2023	None
Ted H. Light, P.E.	Vice Chairman	1/31/2022 (hold over)	None
James Baker	Commissioner	1/31/2023	None
Antonio L. Cruz, Esq.	Commissioner	1/31/2024	None
Robert Diehl	Commissioner	1/31/2024	None
Joseph Juliano	Commissioner	1/31/2025	None
James M. Zullo	Commissioner	1/31/2026	None
William Thomas	Commissioner	1/31/2026	None
Raymond Murray	Commissioner	6/30/2021 (hold over)	None
Jerome Convery Esq.	Commissioner	1/31/2020 (hold over)	None
<b><u>Other Officials</u></b>			
Joseph Cryan	Executive Director	2/28/2023	*
J. Joaquin Gonzalez, PE, MBA	Chief Engineer	Annual	*
Paul Clark	Solid Waste Division Manager	Annual	*
Karen L. Levenson, CPA	Treasurer / Comptroller	2/28/2023	\$250,000
Judith McCabe	Secretary	2/28/2023	*
McManimon, Scotland & Baumann, LLC	General/Construction Counsel	Annual	
R3M Engineering, Inc.	Consulting Engineers - Wastewater Division	Annual	
CME Associates	Consulting Engineers - Solid Waste Division	Annual	

**Surety Company**

Travelers Insurance

\*Employer blanket policy for a total of \$250,000 for all employees. Comptroller's coverage is separate from the blanket coverage.

**MIDDLESEX COUNTY UTILITIES AUTHORITY  
YEAR ENDED DECEMBER 31, 2022**

**GENERAL COMMENTS AND RECOMMENDATIONS**

None for the year ended December 31, 2022.