

**Annual
Financial Report**

of

**Monmouth County
Bayshore Outfall Authority**

For the Years Ended December 31, 2024 and 2023

Prepared By

The Monmouth County Bayshore Outfall Authority

Finance Department

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Members of the Board
The Monmouth County Bayshore Outfall Authority
200 Harbor Way
P.O. Box 184
Belford, New Jersey 07718

Report on the Financial Statements

We have audited the accompanying financial statements of the Monmouth County Bayshore Outfall Authority, which comprise the statements of net position as of and for the years ended December 31, 2024 and 2023 and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the Monmouth County Bayshore Outfall Authority, as of December 31, 2024 and 2023 and the changes in its net position and cash flows 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Monmouth County Bayshore Outfall 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Monmouth County Bayshore Outfall Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monmouth County Bayshore Outfall Authority's basic financial statements. The supplemental data schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The supplemental data schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

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America. In our opinion, the financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion analysis and the schedules related to accounting, reporting for pensions in Schedule R-1 through R-3, and the schedule related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Schedule S-1 through S-3 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2025 on our consideration of the Monmouth County Bayshore Outfall Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Monmouth County Bayshore Outfall Authority's internal control over financial reporting and compliance.

November 13, 2025





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**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Members of the Board
The Monmouth County Bayshore Outfall Authority
200 Harbor Way
P.O. Box 184
Belford, New Jersey 07718

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Monmouth County Bayshore Outfall Authority as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Monmouth County Bayshore Outfall Authority's basic financial statements, and have issued our report thereon dated November 13, 2025.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Monmouth County Bayshore Outfall 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 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 13, 2025



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024 UNAUDITED

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplementary information.

OVERVIEW OF ANNUAL FINANCIAL REPORT

The MD&A represents management's examination and analysis of the Authority's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Authority's budget, bond resolutions and other management tools were used for this analysis.

The Authority's audited financial statements are presented in conformity with generally accepted accounting principles. The financial statements include the Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; Statements of Cash Flows; and Notes to Financial Statements.

The Statements of Net Position present the Assets, Liabilities, Deferred Inflows and Outflows of Resources and Total Net Position of the Authority on a historical cost basis. Over time, increases and decreases in the components of the Authority's Total Net Position are indicators of whether the financial position of the Authority is improving or deteriorating.

While the Statements of Net Position provide information about the nature and amount of resources and obligations at year-end, the Statements of Revenues, Expenses and 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.

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

The Government Accounting Standards Board (GASB) Statement 68 requires state and local governmental entities to disclose their unfunded pension liabilities. The Authority participates in the pension plan sponsored by the State of New Jersey, which has a much publicized large unfunded liability. Although the Authority is not responsible for making pension payments to employees when they retire, GASB 68 dictates that the pro-rata share represented by Authority employees participating in PERS (Public Employee Retirement System) be reported in the audited financial statements to promote better financial clarity. Understandably, the net pension liability of \$809,219 – shown within long-term liabilities – is a significant number at December 31, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024 UNAUDITED

OVERVIEW OF ANNUAL FINANCIAL REPORT (CONT'D)

The Government Accounting Standards Board (GASB) Statement 75 requires state and local governmental entities to disclose their unfunded OPEB (postretirement benefits other than pension) liabilities. The Authority participates in the Municipal Reinsurance Health Insurance Fund. Although the Authority is not responsible for making postretirement benefit payments to employees when they retire, GASB 75 dictates that the pro-rata share represented by Authority employees participating in the plan be reported in the audited financial statements to promote better financial clarity. Understandably, the net OPEB liability of \$2,546,316 – shown within liabilities – is a significant number at December 31, 2024.

The Notes to Financial Statements provide required disclosures and other information that are essential to an understanding of material data provided in the basic financial statements. The notes present information that include accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

FINANACIAL ANALYSIS

The Authority at December 31, 2024 has total assets and deferred outflow of resources of \$12,001,728 compared to \$11,840,479 at December 31, 2023. The increase from 2023 to 2024 can be primarily attributed to the increase in cash and deferred outflows related to Pension.

The Authority at December 31, 2024 has total liabilities and deferred inflow of resources of \$5,805,537 compared to \$5,989,953 at December 31, 2023. The increase from 2023 to 2024 can be primarily attributed to the increase in Pension Deferred Inflows.

The Authority at December 31, 2024 has a total net position of \$6,196,192 compared to \$5,850,526 at December 31, 2023. The increase from 2023 to 2024 is primarily related to the operating income for the year end.

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024 UNAUDITED**

AUTHORITY'S FINANCIAL REPORT

Condensed Financial Statements

Condensed Statement of Net Position

| <u>Assets and Deferred Outflows of Resources</u> | <u>2024</u> | <u>2023</u> | <u>Net Change</u> | <u>%</u> |
|--|----------------------|----------------------|---------------------|----------------|
| Cash and Cash Equivalents | \$ 5,796,535 | \$ 4,967,220 | \$ 829,315 | 16.7% |
| Other Assets | 100,464 | 293,351 | (192,887) | -65.8% |
| Property, Plant and Equipment - Net | <u>5,007,941</u> | <u>5,296,288</u> | <u>(288,347)</u> | <u>-5.4%</u> |
| Total Assets | <u>10,904,940</u> | <u>10,556,859</u> | <u>348,081</u> | <u>3.3%</u> |
| <u>Deferred Outflows of Resources</u> | | | | |
| Pension Related | 75,889 | 105,684 | (29,795) | -28.2% |
| OPEB Related | <u>1,020,899</u> | <u>1,177,936</u> | <u></u> | <u></u> |
| Total Assets and Deferred Outflow of Resources | <u>\$ 12,001,728</u> | <u>\$ 11,840,479</u> | <u>\$ 318,286</u> | <u>2.7%</u> |
| <u>Liabilities</u> | | | | |
| Accounts Payable & Accrued Expenses | \$ 291,888 | \$ 279,050 | \$ 12,838 | 4.6% |
| Bonds Payable | 316,708 | 466,708 | (150,000) | -32.1% |
| Loans Payable | 1,505,000 | 1,488,049 | 16,951 | 1.1% |
| Net Pension Liability | 809,219 | 877,628 | (68,409) | -7.8% |
| Net OPEB Liability | <u>2,546,316</u> | <u>2,617,630</u> | <u></u> | <u></u> |
| Total Liabilities | <u>5,469,132</u> | <u>5,729,065</u> | <u>(188,620)</u> | <u>-3.3%</u> |
| <u>Deferred Inflows of Resources</u> | | | | |
| Non-Exchange Transactions | | 200 | | |
| Pension Related | 97,637 | 123,033 | 686,186 | 557.7% |
| OPEB Related | <u>238,768</u> | <u>137,655</u> | <u>2,479,975</u> | <u>1801.6%</u> |
| <u>Net Position</u> | | | | |
| Net Investment in Capital Assets | 3,181,233 | 3,341,531 | 1,636,410 | 49.0% |
| Restricted | 445,251 | 445,251 | | |
| Unrestricted | <u>2,569,708</u> | <u>2,063,744</u> | <u>(1,103,908)</u> | <u>-53.5%</u> |
| Total Net Position | <u>6,196,192</u> | <u>5,850,526</u> | <u>532,502</u> | <u>9.1%</u> |
| Total Liabilities, Deferred Inflows of Resources and Net Position | <u>\$ 12,001,728</u> | <u>\$ 11,840,479</u> | <u>\$ 3,510,043</u> | <u>29.6%</u> |

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024 UNAUDITED**

Condensed Statement of Revenue, Expenses, and Changes in Net Position

| | <u>2024</u> | <u>2023</u> | <u>Net Change</u> | <u>%</u> |
|----------------------------------|---------------------|---------------------|-------------------|--------------|
| <u>Operating Revenues</u> | | | | |
| Annual Service Charges | \$ 2,024,638 | \$ 1,951,215 | \$ 73,423 | 3.8% |
| Other Operating Revenue | 1,200 | 1,400 | (200) | -14.3% |
| Total Operating Revenues | <u>2,025,838</u> | <u>1,952,615</u> | <u>73,223</u> | <u>3.7%</u> |
| <u>Operating Expenses</u> | | | | |
| Cost of Providing Service | 1,245,585 | 1,274,621 | (29,036) | -2.3% |
| Administrative Expenses | 282,553 | 203,013 | 79,540 | 39.2% |
| Depreciation | 389,010 | 387,155 | 1,855 | 0.5% |
| Pension and OPEB Related | 122,826 | (325,194) | 261,184 | |
| Total Operating Expenses | <u>2,039,974</u> | <u>1,539,595</u> | <u>313,543</u> | <u>20.4%</u> |
| Net Operating Income (Loss) | (14,136) | 413,020 | (240,320) | -58.2% |
| Non Operating Revenues (Expense) | <u>359,802</u> | <u>276,355</u> | <u>83,447</u> | <u>30.2%</u> |
| Change in Net Position | 345,666 | 689,375 | (156,873) | -22.8% |
| Net Position, Beginning of Year | <u>5,850,526</u> | <u>5,161,151</u> | <u>689,375</u> | <u>13.4%</u> |
| Net Position, End of Year | <u>\$ 6,196,192</u> | <u>\$ 5,850,526</u> | <u>\$ 532,502</u> | <u>9.1%</u> |

Contacting the Authority's Management

The Authority's financial report is designed to provide users of the financial statements with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. The financial statements of the Authority are a matter of public record and may be examined at 200 Harbor Way Belford, New Jersey 07718 during the Authority's business hours.

BASIC FINANCIAL STATEMENTS

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| <u>ASSETS</u> | | |
| <u>Unrestricted Assets:</u> | | |
| Cash and Cash Equivalents | \$ 5,218,526 | \$ 4,414,389 |
| Accounts Receivable | 16,761 | 233,379 |
| Inventory | 82,113 | 59,505 |
| Prepaid Expenses | 1,590 | 467 |
| | <hr/> | <hr/> |
| <u>Total Unrestricted Assets</u> | <u>5,318,990</u> | <u>4,707,740</u> |
| <u>Restricted Assets:</u> | | |
| <u>Cash and Cash Equivalents:</u> | | |
| Bond Service Fund | 286,288 | 266,545 |
| Bond Reserve Fund | 179,398 | 179,584 |
| Renewal and Replacement | 112,323 | 106,702 |
| | <hr/> | <hr/> |
| <u>Total Restricted Assets</u> | <u>578,009</u> | <u>552,831</u> |
| <u>Non-current Assets:</u> | | |
| Property, Plant and Equipment, at Cost | 24,890,214 | 24,789,551 |
| Less: Accumulated Depreciation | 19,882,273 | 19,493,263 |
| <u>Net Property, Plant and Equipment</u> | <u>5,007,941</u> | <u>5,296,288</u> |
| | <hr/> | <hr/> |
| <u>Total Non-current Assets</u> | <u>5,007,941</u> | <u>5,296,288</u> |
| | <hr/> | <hr/> |
| <u>TOTAL ASSETS</u> | <u>10,904,940</u> | <u>10,556,859</u> |
| <u>DEFERRED OUTFLOW OF RESOURCES</u> | | |
| Pension Related | 75,889 | 105,684 |
| OPEB Related | 1,020,899 | 1,177,936 |
| | <hr/> | <hr/> |
| <u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u> | <u>1,096,788</u> | <u>1,283,620</u> |
| | <hr/> | <hr/> |
| <u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u> | <u>\$ 12,001,728</u> | <u>\$ 11,840,479</u> |

The accompanying Notes are an integral part of these financial statements.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| <u>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</u> | | |
| <u>Current Liabilities Payable From Unrestricted Assets:</u> | | |
| Accounts Payable | \$ 100,892 | \$ 87,188 |
| Accounts Payable- Pension Related | 81,036 | 80,982 |
| Accrued Liabilities | 24,500 | 26,500 |
| | <hr/> | <hr/> |
| <u>Total Current Liabilities Payable From Unrestricted Assets</u> | 206,428 | 194,670 |
| <u>Current Liabilities Payable From Restricted Assets:</u> | | |
| Accrued Interest Payable | 18,287 | 18,287 |
| NJIB Loans Payable | 25,000 | 33,049 |
| Revenue Bonds Payable | 151,708 | 141,708 |
| | <hr/> | <hr/> |
| <u>Total Current Liabilities Payable From Restricted Assets</u> | 194,995 | 193,044 |
| <u>Long-Term Liabilities:</u> | | |
| Long-Term Portion of NJIB Loans Payable | - | 25,000 |
| Long-Term Portion of Revenue Bonds Payable | 165,000 | 325,000 |
| Temporary Project Noted | 1,480,000 | 1,430,000 |
| Compensated Absenses Payable | 67,174 | 66,093 |
| Net Pension Liability | 809,219 | 877,628 |
| Net OPEB Liability | 2,546,316 | 2,617,630 |
| | <hr/> | <hr/> |
| <u>Total Long-Term Liabilities</u> | 5,067,709 | 5,341,351 |
| | <hr/> | <hr/> |
| <u>Total Liabilities</u> | 5,469,132 | 5,729,065 |
| <u>Deferred Inflow of Resources:</u> | | |
| Non-Exchange Transactions | | 200 |
| Pension Related | 97,637 | 123,033 |
| OPEB Related | 238,768 | 137,655 |
| | <hr/> | <hr/> |
| <u>TOTAL DEFERRED INFLOW OF RESOURCES</u> | 336,405 | 260,888 |
| <u>Net Position:</u> | | |
| Net Investment in Capital Assets | 3,181,233 | 3,341,531 |
| Restricted: | | |
| Bond Service | 172,376 | 172,376 |
| Bond Revenue | 172,875 | 172,875 |
| Renewal and Replacement | 100,000 | 100,000 |
| Unrestricted: | | |
| Net Position Reserved for Capital | 30,000 | 30,000 |
| Unrestricted | 2,539,708 | 2,033,744 |
| | <hr/> | <hr/> |
| <u>Total Net Position</u> | 6,196,192 | 5,850,526 |
| | <hr/> | <hr/> |
| <u>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</u> | <u>\$ 12,001,728</u> | <u>\$ 11,840,479</u> |

The accompanying Notes are an integral part of these financial statements.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|---|------------------------|------------------------|
| <u>Operating Revenues:</u> | | |
| Annual Service Charges | \$ 2,024,638 | \$ 1,951,215 |
| Other Operating Revenue | 1,200 | 1,400 |
| | <hr/> | <hr/> |
| <u>Total Operating Revenues</u> | <u>2,025,838</u> | <u>1,952,615</u> |
| <u>Operating Expenses:</u> | | |
| Cost of Providing Service | 1,245,585 | 1,274,621 |
| Administrative Expenses | 282,553 | 203,013 |
| Depreciation | 389,010 | 387,155 |
| Pension and OPEB Related | 122,826 | (325,194) |
| | <hr/> | <hr/> |
| <u>Total Operating Expenses</u> | <u>2,039,974</u> | <u>1,539,595</u> |
| <u>Operating Income (Loss)</u> | <u>(14,136)</u> | <u>413,020</u> |
| <u>Non-operating Revenues (Expenses):</u> | | |
| Sale of Solar Renewable Energy Certificates (SRECs) | 145,838 | 131,410 |
| Interest Income | 248,788 | 206,165 |
| Interest Expense, Net | (34,824) | (71,049) |
| Amortization of Bond Premium | | 9,829 |
| | <hr/> | <hr/> |
| <u>Total Non-Operating Expenses</u> | <u>359,802</u> | <u>276,355</u> |
| <u>Change in Net Position</u> | <u>345,666</u> | <u>689,375</u> |
| Net Position, Beginning of Year | <hr/> <u>5,850,526</u> | <hr/> <u>5,161,151</u> |
| Net Position, End of Year | <u>\$ 6,196,192</u> | <u>\$ 5,850,526</u> |

The accompanying Notes are an integral part of these financial statements.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|---------------------|
| <u>Cash Flows from Operating Activities:</u> | | |
| Receipts from Service Users | 2,241,256 | \$ 1,972,859 |
| Payments for Supplies | (811,292) | (579,198) |
| Payments to Employees | (778,802) | (925,362) |
| Payments Received from Others | 1,200 | 1,400 |
| | <u>652,362</u> | <u>469,699</u> |
| <u>Net Cash Provided by Operating Activities</u> | | |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | |
| Principal Paid on Long-Term Debt Used for Capital Assets | (183,049) | (179,388) |
| Interest Paid on Long-Term Debt Used for Capital Assets | (34,824) | (71,049) |
| Acquisition of Long-Term Debt Used for Capital Assets | 1,480,000 | - |
| Principal Payment on Temporary Note and Issuance Costs | (1,480,000) | - |
| | <u>(217,873)</u> | <u>(250,437)</u> |
| <u>Net Cash Used in Capital and Financing Activities</u> | | |
| <u>Cash Flows from Investing Activities:</u> | | |
| Cash Received from Sale of SRECs | 145,838 | 141,235 |
| Interest Received | 248,788 | 206,165 |
| | <u>394,626</u> | <u>347,400</u> |
| <u>Net Cash Provided by Investing Activities</u> | | |
| Change in Cash and Cash Equivalents | 829,115 | 566,662 |
| Cash and Cash Equivalents, Beginning of Year | 4,967,220 | 4,400,558 |
| Cash and Cash Equivalents, End of Year | <u>\$ 5,796,335</u> | <u>\$ 4,967,220</u> |
| Reconciliation to Statement of Net Position: | | |
| Cash and Cash Equivalents- Unrestricted | 5,218,526 | 4,414,389 |
| Cash and Cash Equivalents- Restricted | 578,009 | 552,831 |
| Total Cash and Cash Equivalents | <u>5,796,535</u> | <u>4,967,220</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | | |
| Operating Income (Loss) | \$ (14,136) | \$ 413,020 |
| Depreciation | 389,010 | 387,155 |
| Pension Related | (84,010) | (80,020) |
| OPEB Related | 186,836 | (245,174) |
| Changes in Operating Assets and Liabilities: | | |
| Accounts Receivable | 216,418 | 31,469 |
| Inventory | (22,608) | (19,163) |
| Prepaid Expenses | (1,123) | 2,995 |
| Accounts Payable | (37,106) | 25,534 |
| Accrued Expenses | (2,000) | 2,000 |
| Compensated Absences | 1,081 | (48,117) |
| Net Cash Provided by Operating Activities | <u>\$ 652,362</u> | <u>\$ 469,699</u> |

The accompanying Notes are an integral part of these financial statements.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(1) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Monmouth County Bayshore Outfall Authority (the "Authority") is a public body, politic and corporate that was created on March 18, 1969 by a resolution of the Board of Chosen Freeholders of the County of Monmouth pursuant to Chapter 123 of the Laws of 1946 of the State of New Jersey, as amended, N.J.S.A. 40:36-1 et seq. On April 8, 1978, due to the repeal of the aforementioned statutes, the Authority was reorganized as a county utilities authority pursuant to provisions of the Municipal Utilities Authority Law, constituting Chapter 183 of the Laws of 1957 of the State of New Jersey, as amended, N.J.S.A 40:14B-1 et seq. The Authority is limited to construction and operation of a mainland trunk line, pumping stations and an outfall sewer line in a district comprised of certain municipalities in the Bayshore area of Monmouth County.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the accounting policies are described below.

Basis of Financial Statement Presentation

The financial statements of the Authority have been prepared on the accrual basis and in accordance with generally accepted accounting principles applicable to enterprise funds of state and local governments. An Enterprise Fund is used to account for operations: (i) that are financed primarily through user charges, or (ii) where the governing body has decided that determination of net income is appropriate.

The accounting and financial reporting applied by the Authority is determined by its measurement focus. The financial statements are reported using the economic measurement focus and the accrual basis of accounting. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included in the Statements of Net Position. Net Position (totals assets and deferred outflows net of total liabilities and deferred inflows) are segregated into invested in capital assets, restricted and unrestricted components.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity

The Authority's financial statements include the operations of the wastewater treatment plant for which the Board of Commissioners of the Authority exercises financial accountability. The Authority is considered a joint venture of the participating governments. Board members are appointed to five-year terms by their respective municipalities. There are no additional entities required to be included in the reporting entity and the Authority is not included in any other reporting entity.

Accounting and Financial Reporting for Pensions

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate the unfunded net pension liability of Public Employees Retirement System (PERS) of the participating employers as of December 31, 2024. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, Authorities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Net Liabilities area of the Statement of Net Position.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, authorities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the Statement of Net Position.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualifies in this category, deferred amounts related to pension and OPEB.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Equity is classified as net position and displayed in three components:

- 1) Net Investment in Capital Assets - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted - when constraints placed on net position are either a) externally imposed by creditors (such as the bond resolution), grantors, or laws or regulations of other governments or b) imposed by law.
- 3) Unrestricted - any other net position that does not meet the definition of "restricted" or "invested in capital assets."

Revenue and Expense Classification

The Authority distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues consists of service charges derived from the operation of the Authority's sanitary sewer system. Operating expenses consists primarily of personnel costs, administrative expenses, power and other expenses related to the operation of the sanitary sewer system. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Cash Equivalents

Cash and cash equivalents include cash in banks and may include petty cash. It may also include all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows.

New Jersey Authorities are required by *N.J.S.A. 40A:5-14* to deposit public funds into a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States of America or State of New Jersey or the New Jersey Cash Management Fund. *N.J.S.A. 40A:5-15.1* provides a list of securities which may be purchased by New Jersey Authorities. The Authority is required by *N.J.S.A. 17:9-41* to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets purchased are stated at cost. Assets contributed by developers are valued at estimated fair market value as of the date of contribution. Costs incurred for construction projects are recorded as construction in progress. In the year that the project is completed, these costs are transferred to capital assets. The Authority has adopted a capitalization threshold of \$2,500.

Depreciation is determined on a straight-line basis for all capital assets, except land and construction in progress. Depreciation is provided over the estimated useful lives of the assets ranging from 5 to 40 years.

Accounts Receivable

The Authority has no allowance for doubtful accounts for receivables that may be uncollectible. The Authority considers all accounts receivable to be fully collectible. If amounts become uncollectible, they will be charged to operations when that determination is made.

Inventory

Inventory is valued at cost, which approximates market, using first-in-first out (FIFO) method. Supplies estimated to be immaterial at year-end are recorded as an expense when purchased. At December 31, 2024 and 2023, the value of the inventory, consisting of high value repair parts and heating oil was \$82,113 and \$59,505, respectively.

Income Taxes

No provision for income taxes has been made as the Authority is exempt from Federal and State income taxes.

Net Position

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

Compensated Absences

Authority employees must use their vacation time in the current year, after the succeeding year, vacation time is lost. Employees will be paid out for one half of their sick days accumulated in accordance with the Authority's personnel policy.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bond Discount/Bond Premium

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

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets 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 could differ from those estimates.

(3) BUDGETARY PROCEDURES

The Authority follows these procedures in establishing the Operating Fund budget:

The annual budget for each fiscal year of the Authority is introduced by resolution passed by not less than a majority of the governing body. Copies are submitted to the Director of the Division of Local Government Services Director (Director) for approval prior to its adoption. The budget must comply with the terms and provisions of loan agreements, and is to be in such form and detail as to items of revenue, expenses and other contents as required by law or by rules and regulations of the Local Finance Board.

No authority budget can be finally adopted until the Director has approved the budget. Public hearings are conducted to obtain citizen comments on the proposed budget. Operating expense appropriations lapse at the close of the fiscal year to the extent that they have not been expended. The level at which expenditures cannot exceed the budget is at the total budget level. The budget may be increased after adoption when an item of revenue has been made available after the adoption date.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(4) RESTRICTED FUNDS

The Authority is subject to the provisions and restrictions of the Bond Resolution. A summary of the activities of each fund (account) created by the Bond Resolution is covered below (in the priority of the order listed).

Revenue- All revenue received by the Authority. Used for authorized operating expenses and, as of the last day or each quarter, transfers to various accounts described below.

Construction- Proceeds of debt issued and construction grants-in-aid. Used for construction costs of the project.

Bond Service Fund- Amount needed to pay matured principal and interest plus principal and interest due on the next payment dates, respectively. Used for principal and interest payments on the debt service.

Bond Reserve Fund - Amount needed to equal the greatest amount of debt service due in any year. Transfers to meet minimum levels required in the bond service account. Any excess may be transferred into the revenue account.

Renewal and Replacement Fund- Amount needed to increase the balance to equal the renewal and replacement requirements as defined by the resolution. Transfers to meet minimum levels required in the bond service or bond reserve accounts or major repairs, renewals and extensions of the system.

General Fund- All excess funds of the Authority are recorded in the General Fund. At the discretion of the Authority, funds may be transferred to the Revenue Fund and used for any lawful purpose.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(4) RESTRICTED FUNDS (CONTINUED)

The following accounts are required by the 2011 Bond Resolution as of December 31, 2024:

| | <u>Amount Required</u> | <u>Balance at Year End</u> | <u>Excess or (Deficiency)</u> |
|------------------------------|----------------------------|--------------------------------|-----------------------------------|
| Bond Service Fund | \$ 172,376 | \$ 286,288 | \$ 113,912 |
| Bond Reserve Fund | 172,875 | 179,398 | 6,523 |
| Renewal and Replacement Fund | 100,000 | 112,323 | 12,323 |

The following accounts are required by the 2011 Bond Resolution as of December 31, 2023:

| | <u>Amount Required</u> | <u>Balance at Year End</u> | <u>Excess or (Deficiency)</u> |
|------------------------------|----------------------------|--------------------------------|-----------------------------------|
| Bond Service Fund | \$ 172,376 | \$ 266,545 | \$ 94,169 |
| Bond Reserve Fund | 172,875 | 179,584 | 6,709 |
| Renewal and Replacement Fund | 100,000 | 106,702 | 6,702 |

(5) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of cash deposits and treasury money market funds. Cash on deposit (unrestricted and restricted), which totaled \$5,796,535 and \$5,268,863 in 2024 and 2023, respectively, is partially insured by federal deposit insurance in the amount of \$250,000 in each depository. Balances above the federal deposit insurance amount are insured by a collateral pool maintained by the bank as required by New Jersey statutes under the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

GASB Statement No. 40 requires that the Authority disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the Authority would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uninsured and uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the Authority.

The Authority does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At December 31, 2024, the Authority was not exposed to custodial credit risk.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(6) ACCOUNTS RECEIVABLE

Accounts receivable balances at December 31, 2024 and 2023 were \$14,331 and \$233,379, respectively. The Authority believes that all receivables are collectible and has not established an allowance for doubtful accounts. Accounts receivable at December 31, 2024 and 2023 consisted of the following:

| | 2024 | 2023 |
|--------------------------------------|----------------------|----------------------|
| Bayshore Regional Sewerage Authority | \$ - | \$228,531 |
| Solar Renewable Energy Credits | 12,936 | 4,848 |
| Borough of Keansburg | 2,430 | |
| Other Receivables | <u>1,395</u> | <u>0.00</u> |
| Total | \$ <u>16,761</u> | <u>\$233,379</u> |

(7) CAPITAL ASSETS

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

| | Balance December 31, <u>2023</u> | Increase (Decrease) | Balance December 31, <u>2024</u> |
|--|--|------------------------|--|
| Land | \$ 715,751 | | \$ 715,751 |
| Construction in Progress | 1,366,749 | | 1,366,749 |
| Pumping Stations and Outfall Sewer Lines | 18,603,588 | 27,484 | 18,631,072 |
| Monitoring Station | 101,455 | | 101,455 |
| Solar Power Generating System | 2,984,564 | | 2,984,564 |
| Maintenance Garage | 40,636 | | 40,636 |
| Office Furniture and Plant Equipment | 909,410 | 73,179 | 982,589 |
| Vehicles | <u>67,398</u> | | <u>67,398</u> |
| | 24,789,551 | <u>100,663</u> | 24,890,214 |
| Less: Accumulated Depreciation | <u>(19,493,263)</u> | <u>(389,010)</u> | <u>(19,882,273)</u> |
| Net Property, Plant & Equipment | <u>\$ 5,296,288</u> | <u>(389,010)</u> | <u>\$ 5,007,941</u> |

(8) COMPENSATED ABSENCES

All employees are allowed to accumulate (with restrictions) unused vacation benefits and sick leave. Accrued expenses related to these costs included in current liabilities at December 31, 2024 and 2023 amounted to \$67,174 and \$66,093, respectively.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(9) REVENUE AND LOANS PAYABLE

Temporary Bond (2022)

On June 29, 2022, the Authority obtained short term financing through The Depository Trust Company, New York, New York ("DTC") in the amount of \$1,430,000 maturing June 28, 2024. The Project Note Series 2022 loan was obtained at an interest rate of 2.750%. Payments of interest only of approximately \$19,663 through December 31, 2024. A final payment of \$19,663 for interest and \$1,430,000 for principal was due on June 28, 2024 at the time of maturity. Proceeds of the Project Note Series 2022 were utilized to pay off the balance of the \$1,376,707 construction loan payable balance with NJIB on June 29, 2022. The proceeds of the Project Note Series 2024, issued June 27, 2024, were used to pay off the Project Note Series 2022.

Temporary Bond (2024)

On June 27, 2024, the authority issued a note to Amboy Bank, Old Bridge, New Jersey in the amount of \$1,480,000 maturing June 26, 2025. The Project Note Series 2024 was obtained at an interest rate of 4.90%. The proceeds of the Project Note Series 2024 were used to pay off the Project Note Series 2022 on June 27, 2024.

2005 New Jersey Environmental Infrastructure Trust Bonds

On November 10, 2005, the Authority issued \$607,655 in Revenue Bonds through the New Jersey Environmental Infrastructure Trust financing program. The Trust Loan Bonds outstanding in the amount of \$25,000, mature annually from 2007 through 2025 and carry interest rates ranging from 4.00% to 5.00%. The Fund Loan Bonds mature in August of 2025.

Outfall Sewer Bonds (Series 2011)

On January 24, 2011, the Authority issued \$1,835,000 in Revenue Bonds to the Monmouth County Improvement Authority (MCIA) pursuant to the MCIA's 2011 Governmental Loan Program. The bonds mature annually from 2012 through 2026 and carry interest rates from 2.00 to 5.00%. The bonds were issued to finance the net cost of the construction of a solar power generating system and to repay the project notes payable. Bonds maturing on or after January 15, 2022 are subject to redemption commencing on January 15, 2021 at redemption prices equal to 100% of the principal amount of the bonds to be redeemed. Bonds outstanding at December 31, 2024 total \$325,000.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(10) REVENUE AND LOANS PAYABLE (CONTINUED)

Outfall Sewer Bonds (Series 2011) (Continued)

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

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|---------------------|
| Temporary Bond (2022) | \$ 0 | \$ 1,430,000 |
| Temporary Bond (2024) | 1,480,000 | 0 |
| 2005 New Jersey Environmental Infrastructure Trust Bonds | 25,000 | 58,049 |
| Outfall Sewer Bonds | <u>325,000</u> | <u>475,000</u> |
| Total Debt | \$1,830,000 | \$1,963,049 |
| Less Current Maturities | <u>185,000</u> | <u>183,049</u> |
| Total Long-Term Debt | <u>\$ 1,645,000</u> | <u>\$ 1,780,000</u> |

| <u>Year</u> | <u>Principal</u> |
|-------------|---------------------|
| 2025 | 1,665,000 |
| 2026 | <u>165,000</u> |
| Total | <u>\$ 1,830,000</u> |

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) of the participating authority as of December 31, 2024. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the authority, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2024.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONT'D)

Public Employees Retirement System (PERS)

At June 30, 2024, the State reported a net pension liability of \$809,219 for the Authority's proportionate share of the total net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Authority's proportion was 0.0059553745 percent, which was a decrease of 0.0001037612 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the State recognized an actuarially determined pension expense of \$17,026 for the Authority's proportionate share of the total pension expense. The pension expense recognized in the Authority's financial statements based on the April 1, 2024 billing was \$80,982.

Public Employees Retirement System (PERS) (continued)

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$ 16,210 | \$ 2,154 |
| Changes of assumptions | 1,005 | 9,207 |
| Net difference between projected and actual earnings on pension plan investments | | 37,521 |
| Changes in proportion and differences between Authority contributions and proportionate share of contributions | <u>58,674</u> | <u>48,755</u> |
| | <u>\$ 75,889</u> | <u>\$ 97,637</u> |

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONT'D)

Other local amounts reported by the State as the Authority's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

| <u>Year Ended</u> <u>June 30,</u> | <u>Amount</u> |
|--------------------------------------|-------------------|
| 2025 | (\$32,373) |
| 2026 | \$28,569 |
| 2027 | (\$13,311) |
| 2028 | (\$6,846) |
| 2029 | \$2,214 |
| | <u>(\$21,748)</u> |

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. These actuarial valuations used the following assumptions:

| | |
|---------------------------|---------------------------|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | 2.75-6.55% |
| | Based on Years of Service |
| Investment Rate of Return | 7.00% |

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.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONT'D)

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, 2024) 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. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2024 asset are summarized in the following table:

| <u>Assets Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| US Equity | 28.00% | 8.63% |
| Non-U.S. Developed Market Equity | 12.75% | 8.85% |
| International Small Cap Equity | 1.25% | 8.85% |
| Emerging Market Equity | 5.50% | 10.66% |
| Private Equity | 13.00% | 12.40% |
| Real Estate | 8.00% | 10.95% |
| Real Assets | 3.00% | 8.20% |
| High Yield | 4.50% | 6.74% |
| Private Credit | 8.00% | 8.90% |
| Investment Grade Credit | 7.00% | 5.37% |
| Cash Equivalents | 2.00% | 3.57% |
| U.S. Treasury's | 4.00% | 3.57% |
| Risk Mitigation Strategies | 3.00% | 7.10% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONT'D)

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

The following presents the Authority's proportionate share of the net pension liability of the participating employers as of June 30, 2024 respectively, calculated using the discount rate as disclosed above as well as what the Authority's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

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

| | June 30, 2024 | | |
|---|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Authority's proportionate share of the pension liability | \$1,075,253 | \$809,219 | \$582,825 |

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the Authority under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Authority does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Authority related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Authority as of June 30, 2024 was 0.0059828887% which was an decrease of 0.0000992517% percent from its proportion measured as of June 30, 2023. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2024 and June 30, 2023 \$2,609 and \$2,737 respectively.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONT'D)

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 Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

(12) ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the Authority has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the authority is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability.

Plan Description

The Authority's defined benefit OPEB plan, Monmouth County Bayshore Outfall Authority Health Benefits Plan (the Plan), provides OPEB for all eligible employees of the Authority in accordance with the terms of their labor agreements. The Plan is a single employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Summary Of Benefits

The Plan provides retirees and their eligible dependents medical benefits provided that they have meet the eligibility requirement contained in the Authority's various agreements.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(12) ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS
OTHER THAN PENSIONS (OPEB) – GASB 75 (CONTINUED)

Employees Covered by Benefits Terms

| | |
|--|----------|
| Inactive employees or beneficiaries currently receiving benefits payments | 1 |
| Inactive employees entitled to but not currently receiving benefits payments | -0- |
| Active Employees | <u>7</u> |
| | <u>8</u> |

Contributions

The contribution requirements of the Authority and Plan members are established and maybe be amended by the Authority's governing body.

New Jersey Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of the valuation and for conservatism, it was assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the Authority increased annually by the rate of medical trend.

Net OPEB Liability

The Authority's total OPEB liability of \$2,546,316 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------|------|
| CPI Increase | 2.5% |
| Salary Increases | 2.5% |

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(12) ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS
OTHER THAN PENSIONS (OPEB) – GASB 75 (CONTINUED)

Actuarial Assumptions (Continued)

Healthcare cost trend rates 6.5 percent decreasing by .25% per annum to an ultimate rate of 4.5 percent in 2032.

Mortality rates were based on PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2024–January 1, 2025.

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) 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) to the extent that the conditions in (a) are not met. The discount rates used for determining the Total OPEB liabilities at December 31, 2024 and December 31, 2023, based on the "Bond Buyers 20 Index", are 4.08% and 3.26%, respectively.

| | <u>Net OPEB Liability</u> |
|--|-------------------------------|
| Balance at 12/31/2023 | \$ 2,617,630 |
| Changes for the year: | |
| Service Cost | 23,898 |
| Interest Cost | 85,491 |
| Changes in assumptions or other inputs | (142,465) |
| Benefit Payments | <u>(38,238)</u> |
| Net change in OPEB Liability | <u>(71,314)</u> |
| Balance at 12/31/2024 | <u><u>\$ 2,546,316</u></u> |

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(12) ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS
OTHER THAN PENSIONS (OPEB) – GASB 75 (CONTINUED)

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates.

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

| | <u>1.00% Decrease (3.08%)</u> | <u>December 31, 2024 At Discount Rate (4.08%)</u> | <u>1.00% Increase (5.08%)</u> |
|--|-----------------------------------|---|-----------------------------------|
| Authority's proportionate share of the Net OPEB Liability | \$2,757,831 | \$2,546,316 | \$2,384,551 |

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates.

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

| | <u>1.00% Decrease</u> | <u>December 31, 2024 Healthcare Cost Trend Rate</u> | <u>1.00% Increase</u> |
|--|---------------------------|---|---------------------------|
| Authority's proportionate share of the Net OPEB Liability | \$2,386,404 | \$2,546,316 | \$2,751,696 |

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(12) ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS
OTHER THAN PENSIONS (OPEB) – GASB 75 (CONTINUED)

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

For the year ended December 31, 2023 the actuarially determined OPEB expense reflected in the Plan report was \$227,478. The OPEB expense recognized in the Authority's financial statement based on actual billing was \$133,872.

At December 31, 2023, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|------------------------|--|---|
| Changes of assumptions | <u>1,020,899</u> | <u>(238,768)</u> |
| | <u>\$ 1,020,899</u> | <u>\$ (238,768)</u> |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (continued)

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

| <u>Year Ended December 31,</u> | <u>Amount</u> |
|------------------------------------|-------------------|
| 2025 | \$ 90,686 |
| 2026 | 108,704 |
| 2027 | 217,351 |
| 2028 | 24,304 |
| 2029 | 138,877 |
| Thereafter | <u>202,209</u> |
| | <u>\$ 782,131</u> |

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(13) NET POSITION

The components of net position are as follows:

| | <u>December 31,</u> | |
|----------------------------------|---------------------|---------------------|
| | <u>2024</u> | <u>2023</u> |
| Net Position: | | |
| Net Investment in Capital Assets | \$3,181,233 | \$3,341,531 |
| Restricted: | | |
| Bond and Revenue Service | 345,251 | 345,251 |
| Renewal and Replacement | <u>100,000</u> | <u>100,000</u> |
| <u>Total Restricted</u> | <u>\$ 445,251</u> | <u>\$ 445,251</u> |
| Unrestricted: | | |
| Capital Reserve | \$ 30,000 | \$ 30,000 |
| Operating | 5,135,024 | 4,476,070 |
| Net Pension Liability | (830,967) | (894,977) |
| Net OPEB Liability | <u>(1,764,349)</u> | <u>(1,577,349)</u> |
| <u>Total Unrestricted</u> | <u>2,539,708</u> | <u>2,033,744</u> |
| <u>Total Net Position</u> | <u>\$ 6,196,192</u> | <u>\$ 5,850,526</u> |

(14) RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disaster. The Authority contracts for commercial liability insurance for property, general liability, auto liability, public official liability, workers' compensation, employee health and life insurance.

(15) SUBSEQUENT EVENTS

The Authority has evaluated subsequent events occurring after the financial statement date through November 13, 2025, which is the date the financial statements were available to be issued. Based on this evaluation, the Authority has determined that no other subsequent events have occurred which require disclosure in the financial statements.

(16) COMMITMENTS AND CONTINGENCIES

In the ordinary conduct of its business, the Authority may be a party to litigation. At December 31, 2024, in the opinion of management based upon consultation with legal counsel, there were no matters pending or threatened which would have a material adverse effect on the financial position of the Authority.

SUPPLEMENTARY INFORMATION

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

SCHEDULE OF OPERATING REVENUES AND COSTS
 FUNDED BY OPERATING REVENUES COMPARED TO BUDGET
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

| | <u>2024</u> <u>BUDGET</u> | <u>2024</u> <u>ACTUAL</u> | <u>2023</u> <u>ACTUAL</u> |
|---|------------------------------|------------------------------|------------------------------|
| <u>Revenues:</u> | | | |
| Annual Service Charge | \$ 2,024,638 | \$ 2,024,638 | \$ 1,951,215 |
| Sale of Solar Renewable Energy Certificates (SRECs) | 115,000 | 145,838 | 131,410 |
| Interest Income | 15,000 | 248,788 | 206,165 |
| Other Income | 1,200 | 1,200 | 1,400 |
| | <u>2,155,838</u> | <u>2,420,464</u> | <u>2,290,190</u> |
| <u>TOTAL REVENUES</u> | | | |
| <u>Operating Expenses:</u> | | | |
| <u>Cost of Providing Services:</u> | | | |
| Salaries and Wages | 461,744 | 396,027 | 526,458 |
| Employee Benefits and Taxes | 297,511 | 224,128 | 218,891 |
| Insurance | 66,000 | 69,786 | 59,851 |
| Repairs and Maintenance | 349,408 | 186,531 | 169,351 |
| Laboratory Supplies | 3,000 | 3,777 | 5,162 |
| Outside Laborarorty Services and Technician | 70,000 | 59,029 | 56,430 |
| Utilities | 190,000 | 213,095 | 151,551 |
| Telephone | 8,000 | 6,735 | 6,446 |
| Truck Manatenance and Gasoline | 10,000 | 8,897 | 5,879 |
| Permit Fees | 95,000 | 77,579 | 74,602 |
| Total Cost of Providing Services: | <u>1,550,663</u> | <u>1,245,585</u> | <u>1,274,621</u> |
| <u>Administrative Expenses:</u> | | | |
| Salaries and Wages | 125,469 | 121,535 | 119,459 |
| Employee Benefits | 51,325 | 38,192 | 12,437 |
| Office Supplies and Expenses | 10,000 | 11,137 | 9,350 |
| Professional Fees | 70,700 | 92,844 | 42,601 |
| Trustee Fees | 13,000 | 9,169 | 7,170 |
| Miscellaneous | 9,750 | 9,676 | 11,996 |
| Total Administrative Expenses: | <u>280,244</u> | <u>282,553</u> | <u>203,013</u> |
| | <u>1,830,907</u> | <u>1,528,138</u> | <u>1,477,634</u> |
| <u>Total Operating Expenses</u> | | | |
| <u>Other Costs Funded by Revenues:</u> | | | |
| Principal Maturity on Notes and Bonds | 183,049 | 183,049 | 179,387 |
| Interest Expense | 41,882 | 34,824 | 71,049 |
| Capital Outlay | 100,000 | 100,000 | 100,000 |
| Renewal and Replacement Reserve | - | - | 10,000 |
| Total Other Costs | <u>324,931</u> | <u>317,873</u> | <u>360,436</u> |
| | <u>2,155,838</u> | <u>1,846,011</u> | <u>1,838,070</u> |
| <u>TOTAL COSTS</u> | | | |
| <u>EXCESS OF REVENUES OVER COSTS</u> | <u>\$ -</u> | <u>\$ 574,453</u> | <u>\$ 452,120</u> |

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY
 SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN YEARS

| Fiscal Year Ending June 30. | Authority's Proportion Share of the Net Pension Liability (Asset) | Authority's Proportionate Share of the Net Pension Liability (Asset) | Authority's Covered-Employee Payroll | Authority's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- Employee Payroll | Plan Fiduciary Net Position as a percentage of the total Pension Liability |
|-----------------------------------|--|--|--|---|--|
| 2015 | 0.0054200000% | \$ 1,216,800 | \$ 379,410 | 320.71% | 47.93% |
| 2016 | 0.0056000000% | 1,657,139 | 390,616 | 424.24% | 40.14% |
| 2017 | 0.0057200000% | 1,331,658 | 402,062 | 331.21% | 48.10% |
| 2018 | 0.0058100000% | 1,143,372 | 415,546 | 275.15% | 53.60% |
| 2019 | 0.0059600000% | 1,073,286 | 423,292 | 253.56% | 56.27% |
| 2020 | 0.0060200000% | 981,589 | 436,413 | 224.92% | 58.32% |
| 2021 | 0.0053300000% | 631,929 | 448,880 | 140.78% | 70.33% |
| 2022 | 0.0060900000% | 919,175 | 459,976 | 199.83% | 62.91% |
| 2023 | 0.0060591357% | 877,628 | 475,792 | 184.46% | 65.23% |
| 2024 | 0.0059553745% | 809,219 | 517,562 | 156.35% | 68.22% |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

| Fiscal Year Ending June 30, | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Authority's Covered- Employee Payroll | Contributions as a Percentage of Covered- Employee Payroll |
|-----------------------------------|---|---|--|--|--|
| 2015 | \$ 46,602 | \$ 46,602 | -0- | \$ 390,616 | 11.93% |
| 2016 | 49,707 | 49,707 | -0- | 402,062 | 12.36% |
| 2017 | 52,995 | 52,995 | -0- | 415,546 | 12.75% |
| 2018 | 57,761 | 57,761 | -0- | 423,292 | 13.65% |
| 2019 | 57,940 | 57,940 | -0- | 436,413 | 13.28% |
| 2020 | 65,848 | 65,848 | -0- | 408,277 | 16.13% |
| 2021 | 62,471 | 62,471 | -0- | 448,880 | 13.92% |
| 2022 | 76,807 | 76,807 | -0- | 459,976 | 16.70% |
| 2023 | 80,982 | 80,982 | -0- | 475,792 | 17.02% |
| 2024 | 81,036 | 81,036 | -0- | 517,562 | 15.66% |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)
NOTE TO RSI III
FOR THE YEAR ENDED DECEMBER 31, 2024

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN
LAST TEN YEARS

| Fiscal Year Ending June 30, | Authority's Proportion Share of the Net OPEB Liability | Authority's Proportionate Share of the Net OPEB Liability (Asset) | Authority's Covered-Employee Payroll | Authority's Proportion Share of the Net OPEB Liability (Asset) as a percentage of it's Covered- Employee Payroll | Plan Fiduciary Net Position as a percentage of the total OPEB Liability |
|-----------------------------------|---|---|--|--|---|
| 2016 | 0.0094800% | \$ 2,058,816 | \$ 390,616 | 527.07% | 0.69% |
| 2017 | 0.0085800% | 1,751,266 | 402,062 | 435.57% | 1.03% |
| 2018 | 0.0086900% | 1,361,429 | 415,546 | 327.62% | 1.97% |
| 2019 | 0.0080500% | 1,090,188 | 423,292 | 257.55% | 1.98% |
| 2020 | 0.0076800% | 1,377,941 | 436,413 | 315.74% | 0.91% |
| 2021 | 0.0075800% | 1,364,203 | 448,880 | 303.91% | 0.28% |
| 2022 | 0.0075300% | 1,215,903 | 459,976 | 264.34% | -0.36% |
| 2023 | 0.0087700% | 2,617,630 | 475,792 | 550.16% | -0.79% |
| 2024 | 0.0000000% | 2,546,316 | 517,562 | 491.98% | -0.89% |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY
 SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
 STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEE PLAN
 LAST TEN YEARS

| Fiscal Year Ending June 30, | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Authority's Covered- Employee Payroll | Contributions as a Percentage of Covered- Employee Payroll |
|-----------------------------------|---|---|--|--|--|
| 2016 | \$ 216,790 | \$ 216,790 | \$ -0- | 390,616 | 55.50% |
| 2017 | 233,418 | 233,418 | -0- | 402,062 | 58.06% |
| 2018 | 233,419 | 233,419 | -0- | 415,546 | 56.17% |
| 2019 | 190,075 | 190,075 | -0- | 423,292 | 44.90% |
| 2020 | 188,533 | 188,533 | -0- | 436,413 | 43.20% |
| 2021 | 213,156 | 213,156 | -0- | 448,880 | 47.49% |
| 2022 | 245,795 | 245,795 | -0- | 459,976 | 53.44% |
| 2023 | 304,298 | 304,298 | -0- | 475,792 | 63.96% |
| 2024 | 225,074 | 225,074 | -0- | 517,562 | 43.49% |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OPEB (GASB 75)
NOTE TO RSI III
FOR THE YEAR ENDED DECEMBER 31, 2024

Change in benefit terms

None

Change in assumptions

The discount rate changed from 3.26% to 4.08% as of
December 31, 2024.

THE MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

DECEMBER 31, 2024

GENERAL COMMENTS AND RECOMMENDATIONS

None