

**CUMBERLAND COUNTY
IMPROVEMENT AUTHORITY**
AUDIT REPORT
For the Years Ended
December 31, 2024 and 2023

For the Years Ended December 31, 2024 and 2023

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**CUMBERLAND COUNTY
IMPROVEMENT AUTHORITY**

AUDIT REPORT

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the business-type activities of the Cumberland County Improvement Authority (*the Authority*), a component unit of the County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Cumberland County Improvement Authority, a component unit of the County of Cumberland, State of New Jersey, as of December 31, 2024, and the 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cumberland County Improvement Authority, a component unit of the County of Cumberland, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Prior Period Restatement

During the year ended December 31, 2024, the Authority determined that their Lease Receivables and Deferred amount related to leases were inadvertently overstated in prior years. As a result, the accompanying financial statements as of and for the year ended December 31, 2023 have been restated, as described in *Note 23* of the financial statements. Our opinion is not modified with respect to this matter.

Prior Period Financial Statements

The financial statements of the Authority as of December 31, 2023 were audited by other auditors whose report dated September 10, 2024 expressed an unmodified opinion on those statements.

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.

INDEPENDENT AUDITOR'S REPORT (*CONTINUED*)

Responsibilities of Management for the Financial Statements (Concluded)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules related to accounting and reporting for pensions (*GASB 68*), and for post employment benefits other than pensions (*GASB 75*). Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

INDEPENDENT AUDITOR'S REPORT (*CONCLUDED*)

Required Supplementary Information (*Concluded*)

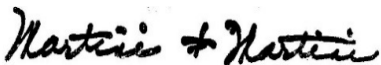
We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, accompanying supplementary schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2025, on our consideration of the Authority's internal control over financial reporting and 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.


MARTINI & MARTINI, CPA, PA

Vineland, NJ
July 31, 2025

CUMBERLAND COUNTY
IMPROVEMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

This section of the Cumberland County Improvement Authority's (*The Authority*) annual financial report presents the analysis of the Authority's financial performance during the year that ended on December 31, 2024. Please read it in conjunction with the financial statements that follow this section.

Financial Highlights

Management believes the Authority's financial condition is strong. Operating revenue totaled \$32.7 million which is a decrease of \$0.2 million or 0.4% over the prior year. Landfill Tipping Fees and Lease/Rental Income, the largest revenue sources, accounted for \$28.6 million and \$28.0 million, respectively. Landfill Tipping Fees increased \$0.1 million or 0.5%, and Lease Rental Income increased \$0.5 million or 4.8%.

- The Authority's Total Assets decreased by \$11.1 million, a decrease of 2.8%. Of the \$11.1 million decrease, \$7.4 million were attributed to the decrease in lease receivables, \$3.0 million to the decrease in cash and investments and \$2.0 million were attributed to the sale of redevelopment property. Capital Assets increased \$1.1 million.
- Operating expenses include cost of providing services, administrative and general, closure and post closure costs and depreciation. The costs the Authority has control over, which are the cost of providing services and administrative and general expenses, totaled \$19.2 million, a decrease of \$0.2 million or 1.2%.
- Closure and post closure costs and depreciation expense totaled \$15.7 million, an increase of \$4.9 million or 44.9%, due to an increase in closure costs of \$4.3 million.
- During 2024, the Authority, after consultation with the Audit team, determined that lease receivables and deferred inflows related to leases were significantly overstated in prior years due to improper discounting of future payments. As a result, the 2023 asset and liability were restated, decreasing the asset and liability by \$78.6 million.

Overview of Financial Statements

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

Required Financial Statements

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

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

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

CUMBERLAND COUNTY
IMPROVEMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

Financial Analysis of the Authority as a Whole

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

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

Table 1
Net Position
(Dollars in Thousands)

	2024	Restated 2023	2024-2023 Increase/(Decrease)	
			\$	%
Current Assets - Unrestricted	\$ 10,081	\$ 12,108	\$ (2,027)	-16.7%
Current Assets - Restricted	85,481	81,530	3,951	4.8%
Noncurrent Assets	294,809	307,805	(12,996)	-4.2%
Total Assets	390,370	401,443	(11,073)	-2.8%
Deferred Outflows of Resources	1,534	2,387	(853)	-35.8%
Current Liabilities Payable from Unrestricted Assets	3,592	4,154	(562)	-13.5%
Current Liabilities Payable from Restricted Assets	16,617	11,097	5,520	49.7%
Long-Term Liabilities	204,810	209,872	(5,062)	-2.4%
Total Liabilities	225,019	225,123	(104)	0.0%
Deferred Inflows of Resources	141,512	148,748	(7,236)	-4.9%
Net Investment in Capital Assets	44,025	38,900	5,125	13.2%
Restricted Net Position	5,841	6,826	(985)	-14.4%
Unrestricted Net Position	(24,493)	(15,767)	(8,726)	55.3%
Total Net Position	\$ 25,373	\$ 29,959	\$ (4,586)	-15.3%

The decrease in current assets-unrestricted is primarily the result of a decrease in due from restricted for closure and post closure projects.

The increase in current assets-restricted is due to an increase in cash received from matured investments.

The decrease in noncurrent assets is due to increases in lease receivables, including lease receivable of the blended component unit, and investments. These decreases are partially offset by an increase in Capital Assets.

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

CUMBERLAND COUNTY
IMPROVEMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

Financial Analysis of the Authority as a Whole (Continued)

The decrease in current liabilities payable from unrestricted assets is primarily due to decreases in accounts payable and other payables, partially offset by increases to unearned revenues and security deposits.

The increase in current liabilities payable from restricted assets is due to increases in loans payable and construction contracts payable, with one \$4.5 million loan payable coming due over the next year.

The decrease in long-term liabilities is primarily due to decreases in revenue bonds payable and loans payable, partially offset by a large increase in accrued closure and post-closure costs.

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

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

	2024	Restated 2023	2024-2023 Increase/(Decrease)	
			\$	%
<u>Operating Revenue:</u>				
Landfill Tipping Fees	\$ 17,292	\$ 17,212	\$ 80	0.5%
Lease/Rental Income	5,916	5,249	667	12.7%
Interest Income on Leases	5,392	5,540	(148)	-2.7%
Project Management Fee	581	983	(402)	-40.9%
Renewable Energy Revenue	-	310	(310)	-100.0%
Recycle Revenue	1,325	945	380	40.2%
Operating Grants	428	462	(34)	-7.3%
Project Income - Fleet Maintenance	134	245	(111)	-45.2%
Admin/Bond Trans Fee/ RE Trans	3	8	(5)	-57.3%
Property Management Fee	1,109	1,065	44	4.1%
Other Operating Income	531	839	(308)	-36.7%
Total Operating Income	32,712	32,858	(146)	-0.4%
<u>Operating Expenses:</u>				
Cost of Providing Services	14,772	15,088	(316)	-2.1%
Administrative and General	4,410	4,317	93	2.2%
Closure and Postclosure Costs	5,265	989	4,276	432.3%
Depreciation	10,453	9,859	594	6.0%
Total Operating Expenses	34,899	30,253	4,646	15.4%
<u>Operating Income (Loss)</u>	(2,188)	2,604	(4,793)	-184.0%
<u>Non Operating Revenue (Expenses):</u>				
Interest Income	3,451	3,596	(145)	-4.0%
Interest Expense	(5,522)	(5,606)	84	-1.5%
Net Increase (Decrease) in Fair Value of Investments	(34)	756	(790)	-104.5%
Appropriated to County	(794)	(775)	(19)	2.4%
Debt Issuance Costs Incurred	(152)	(233)	81	-34.6%
Gain/(Loss) on Disposal of Assets	180	(1,149)	1,329	-115.7%
Other Non-Operating Income	513	826	(313)	-37.9%
Total Non-Operating Revenue (Expenses)	(2,359)	(2,585)	226	-8.7%
Income(Loss) Before Capital Contributions and Special Items	(4,547)	19	(4,567)	-24034.5%

CUMBERLAND COUNTY
IMPROVEMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

Financial Analysis of the Authority as a Whole (Concluded)

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

	2024	Restated 2023	2024-2023 Increase/(Decrease)	
			\$	%
Capital Contributions	(40)	-	(40)	100.0%
Special Items	-	1,157	(1,157)	-100.0%
Change in Net Position	(4,586)	1,177	(5,763)	-489.7%
Net Position-Beginning	29,959	28,782	1,177	4.1%
Net Position-Ending	\$ 25,373	\$ 29,959	\$ (4,586)	-15.3%

Total operating revenue decreased \$0.1 million or 0.4 % year-over-year. Revenue increases included landfill tipping fees of 0.5%, lease/rental income of 12.7%, recycle revenue of 40.2% and property management fee of 4.1%. Revenue decreases included interest income on leases of 2.7%, project management fee of 40.9%, renewable energy revenue of 100%, operating grants of 7.3%, project income - fleet maintenance of 45.2%, admin/bond trans fee of 57.3% and other operating income of 36.7%.

As mentioned in the financial highlights, the costs the Authority has control over are the cost of providing services and administrative and general expenses. These expenses totaled \$19.2 million, a decrease of \$0.2 million or 1.2% which were primarily the result of increases in disposal fees, treatment operations, and building services. Closure and post-closure costs and depreciation expense totaled \$15.7 million, an increase of \$4.9 million or 44.9%. The change was primarily due to a decrease in closure and post closure expense of 432.3% netted against an increase of 6.0% related to depreciation expense. These costs are not controlled by the Authority.

The Authority's ending net position decreased \$4.6 million or 15.3% primarily as the result of the increase in Closure and Post Closure Costs updated in its 2024 Financial Plan and the Authority updating its Closure and Post Closure Financial Plan.

Capital Assets and Debt Administration

Capital Assets

At the end of December 2024, the Authority had \$146.1 million invested in a broad range of capital assets. This amount represents an increase of \$1.1 million or 0.7% from the previous year. More detailed information about capital assets can be found in *Note 8* to the financial statements. Total depreciation expense for the year was \$10.5 million.

The following table summarizes the Authority's capital assets, net of accumulated depreciation, and changes therein, for the years ended December 31, 2024 and 2023.

CUMBERLAND COUNTY
IMPROVEMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

Capital Assets and Debt Administration (Continued)

Capital Assets (Concluded)

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

	2024	2023	2024-2023	
			Increase/(Decrease)	
			\$	%
Land	\$ 4,871	\$ 5,471	\$ (600)	-11.0%
Construction In Progress	24,926	20,240	4,686	23.2%
Building and Related Improvements *	72,391	76,281	(3,890)	-5.1%
Improvements Other than Buildings	37,344	38,923	(1,579)	-4.1%
Machinery and Equipment	6,328	4,006	2,322	58.0%
Office Equipment	203	70	133	189.4%
Total	\$ 146,062	\$ 144,991	\$ 1,071	0.7%

* Inclusive of Blended Component Unit

Investment in capital assets during 2024 consisted primarily of construction in progress and machinery and equipment purchases.

The Authority's Solid Waste and Other Operations FY 2025 capital budgets plan for investing \$52.6 million in capital projects, including the following (*in thousands*):

	Solid Waste	Other	Total
Landfill Heavy Support Equipment	\$ 2,745	\$ -	\$ 2,745
Budgeted Construction Projects	300	70	370
Closure and Post Closure	1,409	-	1,409
Machinery and Equipment	2,027	-	2,027
Solid Waste Construction Projects	4,000	-	4,000
Economic Development Construction Projects	-	42,000	42,000
Total	\$ 10,481	\$ 42,070	\$ 52,551

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

CUMBERLAND COUNTY
IMPROVEMENT AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

Capital Assets and Debt Administration (*Continued*)

Debt Administration

At December 31, 2024, the Authority had outstanding bond issues in the amount of \$146.9 million with principal payments of \$6.5 million due in one year as detailed in *Notes 9 and 12* to the financial statements. The Authority also had outstanding loans payable in the amount of \$15.2 million with principal payments of \$5.8 million due in one year, as detailed in *Notes 10 and 12* to the financial statements.

- Lease Revenue Bonds were issued in the amount of \$2.7 million principal related to the Bridgeton Fire Station Project with an eleven-year fixed interest rate of 5%, dropping to 4% for the final nine years and maturities extending to 2044.

Economic Factors and Next Year's Budgets and Rates

Renewable Energy revenue is projected to increase slightly in 2025 by 20.1% based on anticipated increase in sales. Interest Income is projected to increase 70% based on anticipated continued high interest rates. Project Management Income is expected to increase 22.7% based on planned construction schedules. Fuel/Fleet/Shared Services are projected to decrease by 29.9% due to a reduction in fuel sales and fleet maintenance contracts. Additionally, the solid waste budget incorporates a \$3.54 increase in tipping fees as a result of funding requirements for Landfill Closure and the County Health tax, an increase in the Equipment Replacement Fund reserve and an increase to cover the rise in costs for goods and services. The Capital Budgets have experienced construction delays due to supply chain issues with fabrication of major building components, higher than anticipated costs received for bids and higher interest rates when incurring debt. Administrative expenses are projected to decrease approximately 2.7% and Cost of Providing services are projected to decrease approximately 0.2%.

Although reduced, Economic Development is expected to show a net surplus for the year. In developing the 2026 budget, the Authority proposes to increase tipping fee rates to offset tax increases, fund landfill closure and post closure liabilities and offset overall operations. The Authority continues to strategically implement incremental increases over time to minimize the immediate impact on its customers and governmental partners' budgets.

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

Contacting The Authority's Financial Management

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

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
COMPARATIVE STATEMENTS OF NET POSITION
DECEMBER 31,

	Reference	2024	2023
ASSETS			
CURRENT ASSETS - UNRESTRICTED:			
Cash	Exhibit C	\$ 1,102,025	\$ 1,109,389
Investments		-	-
Accounts Receivable		1,250,691	1,536,819
Loans Receivable	Note 6	75,765	314,174
Interest Receivable - Loans		32,871	34,436
Grant Funds Receivable	Note 5	151,110	194,447
Other Receivables		631,299	920,546
Lease Receivables	Note 7	5,074,655	5,336,119
Due from Restricted Assets		1,180,712	2,109,196
Inventories		485,938	439,958
Prepaid Expenses		95,723	112,594
Total Current Assets - Unrestricted		10,080,789	12,107,678
CURRENT ASSETS - RESTRICTED:			
Accounts Required by the Authority's Bond Resolutions/Loan Agreements:			
Cash	Exhibit C	79,118,144	70,478,429
Investments	Note 4	2,422,881	7,961,691
Other Restricted Accounts:			
Cash	Exhibit C	440,362	826,429
Investments	Note 4	3,389,640	2,131,299
Interest Receivable		109,618	132,431
Total Current Assets - Restricted		85,480,644	81,530,279
NONCURRENT ASSETS:			
Investments - Accounts Required by Bond Resolutions	Note 4	-	3,085,529
Investments - Other Restricted Accounts	Note 4	14,738,134	16,583,793
Investment in Redevelopment Sites	Note 4	-	2,000,000
Lease Receivables - Noncurrent	Note 7	121,544,029	128,720,093
Loans Receivable - Noncurrent	Note 6	12,171,315	12,135,387
Prepaid Bond Insurance		293,291	289,088
Capital Assets, Net	Note 8	146,062,049	144,991,413
Total Noncurrent Assets		294,808,817	307,805,303
Total Assets		390,370,251	401,443,260
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Loss on Defeasance of Debt		-	28,691
Deferred Amount Relating to Pensions	Note 14	723,664	1,477,979
Deferred Amount Relating to OPEB	Note 16	809,916	880,577
Total Deferred Outflows of Resources		1,533,580	2,387,247
Total Assets and Deferred Outflows of Resources		\$ 391,903,831	\$ 403,830,507

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
COMPARATIVE STATEMENTS OF NET POSITION
DECEMBER 31,

	Reference	2024	2023
LIABILITIES			
CURRENT LIABILITIES - UNRESTRICTED:			
Accounts Payable - Operations		\$ 835,733	\$ 1,420,319
Other Payables		338,144	1,063,870
Accrued Liabilities		172,770	139,899
Accrued Liabilities - Pension		717,410	707,677
Customer Deposits		192,800	170,100
Security Deposits		300,000	33,373
Landfill Taxes Payable		176,777	167,843
Host Community Benefit Payable		49,716	46,095
Unearned Revenue		591,980	228,601
Unearned Grant Revenue	Note 5	216,383	176,060
Total Current Liabilities Payable From Unrestricted Assets		3,591,713	4,153,837
CURRENT LIABILITIES - RESTRICTED:			
Notes Payable	Note 12	5,801,054	1,523,612
Contracts Payable - Construction		1,870,936	66,505
Contracts Payable - Retainage		38,029	-
Arbitrage Rebate Liability	Note 2	-	254,180
Revenue Bonds Payable	Note 12	6,544,406	5,997,907
Accrued Interest Payable - Revenue Bonds and Loans		1,181,961	1,145,890
Due to Unrestricted Assets		1,180,712	2,109,196
Total Current Liabilities Payable From Restricted Assets		16,617,099	11,097,290
LONG-TERM LIABILITIES:			
Revenue Bonds Payable	Note 12	140,351,832	144,155,443
Notes Payable	Note 12	9,422,647	15,112,008
Accrued Closure and Postclosure Care Costs	Note 11	43,350,671	38,086,066
Accrued Liabilities - Pension	Note 14	358,705	353,839
Net Pension Liability	Note 14	7,163,999	7,669,312
Net OPEB Liability	Note 16	3,952,339	4,280,288
Accrued Compensated Absences		209,626	214,892
Total Long-Term Liabilities		204,809,819	209,871,848
Total Liabilities		225,018,631	225,122,975
DEFERRED INFLOWS OF RESOURCES:			
Deferred Amount Relating to Pensions	Note 14	835,532	1,023,340
Deferred Amount Relating to OPEB	Note 16	1,127,652	638,876
Deferred Amount Relating to Arts and Innovation Project		3,784,375	3,784,375
Deferred Amount Relating to Leases		135,764,735	143,301,677
Total Deferred Inflows of Resources		141,512,294	148,748,268
NET POSITION			
Net Investment in Capital Assets		44,024,746	38,900,127
Restricted:			
Operations	Note 17	2,219,180	2,171,340
Debt Service	Note 17	2,453,056	2,350,944
Equipment Renewal and Replacement	Note 17	1,169,185	2,303,775
Unrestricted (Deficit)	Note 17	(24,493,261)	(15,766,922)
Total Net Position	Exhibit B	25,372,906	29,959,264
Total Liabilities, Deferred Inflows of Resources and Net Position		\$ 391,903,831	\$ 403,830,507

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended December 31,

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
OPERATING REVENUE:			
Landfill Tipping Fees		\$ 17,291,905	\$ 17,212,165
Lease/Rental Income		5,916,351	5,248,895
Interest Income on Leases		5,392,166	5,540,049
Project Management Fee		580,538	982,771
Renewable Energy Revenue		-	309,566
Recycle Revenue		1,324,695	945,384
Operating Grants		428,425	461,695
Project Income - Fleet Maintenance		134,271	244,877
Administrative/Bond Transaction Fee/ Real Estate Trans.		3,413	7,875
Property Management Fee		1,108,524	1,065,129
Other Operating Income		531,336	839,173
Total Operating Revenue		32,711,623	32,857,579
OPERATING EXPENSES			
Cost of Providing Services		14,771,881	15,088,111
Administrative and General		4,410,111	4,317,261
Closure and Postclosure Costs	Note 11	5,264,605	988,900
Depreciation	Note 8	10,452,542	9,858,980
Total Operating Expenses		34,899,139	30,253,252
OPERATING INCOME		(2,187,516)	2,604,327
NON-OPERATING REVENUE (EXPENSES):			
Interest Income		3,450,706	3,596,283
Interest Expense	Note 18	(5,522,322)	(5,606,595)
Net Increase (Decrease) in Fair Value of Investments		(34,094)	756,133
Appropriated to County		(793,947)	(774,866)
Debt Issuance Costs Incurred		(152,431)	(233,543)
Gain/(Loss) on Disposal of Assets		179,825	(1,148,991)
Other Non-Operating Income		513,231	826,672
Total Non-Operating Revenue (Expenses)		(2,359,032)	(2,584,907)
INCOME/(LOSS) BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEMS		(4,546,548)	19,420
CAPITAL CONTRIBUTIONS		(39,810)	-
SPECIAL ITEMS	Note 22	-	1,157,438
CHANGE IN NET POSITION		(4,586,358)	1,176,858
NET POSITION-BEGINNING		29,959,264	28,782,406
TOTAL NET POSITION-ENDING		\$ 25,372,906	\$ 29,959,264

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY*COMPARATIVE STATEMENTS OF CASH FLOWS*

For the Years Ended December 31,

	Reference	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers and Users		\$ 32,557,970	\$ 32,166,149
Cash Payments to Suppliers for Goods and Services		(11,570,389)	(12,172,346)
Cash Payments for Employee Services		(7,848,747)	(7,071,086)
Other Operating Receipts and Payments		608,508	1,129,279
Net Cash Provided by Operating Activities		13,747,341	14,051,996
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Appropriated to County		(793,947)	(774,866)
Payments on Loans Receivable		202,481	27,146
Other Non-Operating Revenue and Expenses		513,231	854,394
Net Cash Provided by/(Used) in Non-Capital Financing Activities		(78,234)	106,674
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets		(9,826,893)	(6,139,105)
Proceeds from Sale of Capital Assets		326,000	400,938
Proceeds from Loans Payable		-	1,275,000
Proceeds from Bond Issue		2,730,000	6,474,469
Premiums Received on the Issuance of Debt		203,153	753,342
Proceeds from NJIB Interim Financing		-	877,604
Principal Paid on Loans Payable		(1,411,919)	(1,272,185)
Principal Paid on Bonds Payable		(5,976,315)	(5,682,908)
Debt Issuance Costs Paid		(152,431)	(233,543)
Capital Contributions		(39,810)	-
Interest Paid on Bonds and Notes Payable		(5,700,201)	(5,814,526)
Net Cash (Used) in Non-Capital Financing Activities		(19,848,415)	(9,360,914)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investment Securities		(6,817,268)	(14,419,745)
Proceeds from Sale and Maturities of Investment Securities		17,769,341	7,749,938
Interest Received on Investments		3,473,519	3,833,232
Cash Provided by/(Used) in Investing Activities		14,425,592	(2,836,575)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		8,246,284	1,961,181
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		72,414,247	70,453,066
CASH AND CASH EQUIVALENTS AT END OF YEAR		\$ 80,660,531	\$ 72,414,247
CASH AND CASH EQUIVALENTS - STATEMENT OF NET POSITION:			
Cash and Cash Equivalents - Unrestricted		\$ 1,102,025	\$ 1,109,389
Accounts Required by Authority's Bond Resolutions/Loan Agreements:			
Cash and Cash Equivalents		79,118,144	70,478,429
Cash and Cash Equivalents - Other Restricted Accounts		440,362	826,429
		\$ 80,660,531	\$ 72,414,247

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY*COMPARATIVE STATEMENTS OF CASH FLOWS*

For the Years Ended December 31,

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income	Exhibit B	\$ (2,187,516)	\$ 2,604,327
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	Note 8	10,452,542	9,858,980
Increase (Decrease) in Cash Resulting from Changes in:			
Customer Accounts Receivable		286,128	273,475
Other Receivables		290,812	254,994
Lease Receivables		7,437,528	(6,196,876)
Operating Grants Receivable		43,337	(2,012)
Inventories		(45,980)	(148,831)
Prepaid Expenses		12,668	(20,351)
Deferred Outflows Related to Pensions		754,315	1,420,738
Deferred Outflows Related to OPEB		70,661	70,661
Accounts Payable - Operations		(584,586)	(11,188)
Other Payables		(725,726)	25,363
Accrued Liabilities		32,871	(4,391)
Customer and Security Deposits		289,327	49,073
Landfill Taxes Payable		8,934	(9,674)
Host Community Benefit Payable		3,621	(242,311)
Unearned Revenue		363,379	(17,113)
Unearned Grant Revenue		40,323	54,237
Accrued Liabilities - Pension		14,599	23,849
Net OPEB Liability		160,827	278,402
Accrued Compensated Absences		(5,266)	19,215
Net Pension Liability		(505,313)	(609,413)
Accrued Closure and Postclosure Costs		5,264,605	988,900
Deferred Inflows Related to Pensions		(187,807)	(630,122)
Deferred Inflows Related to Leases		(7,536,942)	6,022,064
Total Adjustments		<u>15,934,857</u>	<u>11,447,669</u>
Net Cash Provided by Operating Activities		<u>\$ 13,747,341</u>	<u>\$ 14,051,996</u>

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Since its inception, the Authority's primary responsibility has been to maintain the financial stability and operating efficiencies of the solid waste facility in a deregulated atmosphere while continuing to offer and expand the environmentally beneficial programs to its constituency. The Authority's Solid Waste Complex is the home of the Sanitary Landfill and related solid waste and recycling initiatives. In addition to its primary responsibility of operating the County's Solid Waste Facility, the Authority has become the County's designated economic and redevelopment entity and has undertaken a significant redevelopment portfolio that includes the acquisition, construction, and property management of buildings occupied by state, county, municipal, not-for-profit and commercial tenants. Other activities include a "conduit bond financing program", alternative energy projects, and shared services programs including but not limited to, fleet maintenance, facilities management, project and construction management, recycling, and real estate transactions on behalf of the County and other Municipalities.

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

Financial Reporting Entity

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

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

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

Based upon the application of these criteria, the Authority is a component unit of the County of Cumberland. The financial statements of the County of Cumberland are not presented in accordance with generally accepted accounting principles (GAAP) and do not present the financial statements of its component units in accordance with those GASB Statements. The financial statements of the Authority would be either blended or discretely presented with those of the County reported using generally accepted accounting principles (GAAP) applicable to governmental entities.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Concluded)

Based upon the application of these criteria, the Authority also has one blended component unit – The Authority Redevelopment Corporation (*ARC*), formerly known as the Millville Urban Redevelopment Arts and Innovation Center Corporation (*MURAICC*). The *ARC* is organized and is operated exclusively for charitable and educational purposes as defined under Section 501(C)(3) of the Internal Revenue Code of 1986, as amended (the “code”) particularly to acquire, lease, develop, manage, sell and/or transfer real estate and to acquire loan and grant funding and tax credit financing from individuals, foundations, corporations and governments.

During the year ended 2023, the Authority exercised its put option in relation to the “unwinding” of the New Markets Tax Credit (*NMTC*) structure for the Arts and Innovation Project. As a result, the Authority became the direct lender in the transaction, and became the 100% owner of the NJCC CDE Middlesex, LLC, which was subsequently liquidated, with the *MURAICC* continuing to be the borrower. The Authority also entered into a separate agreement to acquire 100% of the *MURAICC*, later renaming it the Authority Redevelopment Corporation. The financial statements of the *ARC* are reported in the Authority’s financial statements as a blended component unit.

Basis of Presentation

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Budgets and Budgetary Accounting

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

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash, Cash Equivalents and Investments

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

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

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

Eligible depositories are defined in section 1 of P.L. 1970, c.236 (C. 17.9-41) and are limited to banks or trust companies having their place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or with the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey governments and their component units.

N.J.S.A. 17:9-41 et. seq., which establishes the requirements for the security of deposits of governmental units, requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (*GUDPA*).

GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in the State of New Jersey or state or federally chartered banks, savings banks or associations located in another state with a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least five percent (5%) of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

Accounts Receivable

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

Prepaid Expenses

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

Inventory

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

Lease Receivable

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

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

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

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

Bond Premiums and Discounts

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

Deferred Outflows and Deferred Inflows of Resources

The *Comparative Statements of Net Position* report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after Total Assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (*expense*) at that time. Deferred inflows of resources, reported after Total Liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (*revenue*) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (*GASB*) standards.

The Authority reports the following as deferred outflows of resources:

- **Defined Benefit Pension Plans** – The difference between expected (*actuarial*) and actual experience, changes in actuarial assumptions, net difference between projected (*actuarial*) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contribution and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.
- **Deferred Loss on Defeasance of Debt** – The deferred loss on defeasance of debt is recorded as a deferred outflow of resources. It is amortized over the shorter of the remaining life of the old debt or new debt based upon the interest method as a component of interest expense.
- **Other Post Employment Benefits (OPEB)** – The difference between expected (*actuarial*) and actual experience and changes in actuarial assumptions are reported as deferred outflows.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources (Concluded)

The Authority reports the following as deferred inflows of resources:

- **Defined Benefit Pension Plans** – The difference between expected (*actuarial*) and actual experience, changes in actuarial assumptions, net difference between projected (*actuarial*) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contribution and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.
- **Other Post-Employment Benefits (OPEB)** – The difference between expected (*actuarial*) and actual experience and changes in actuarial assumptions are reported as deferred inflows.
- **Leases** – The net present value of lease payments expected to be received during the lease term are reported as deferred inflows of resources at the commencement of the lease term.

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

Pensions

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

Postemployment Benefits Other than Pensions

For the year ended December 31, 2018, the Authority adopted Governmental Accounting Standards Board (*GASB*) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (*GASB* 75). In September 2016, the Authority switched from the State Health Benefits Program (*SHBP*) to a self-insured plan. The Authority records its other postemployment benefits cost (expense) based on the actuarially determined amount. Required financial statement disclosures are included in *Note 15*.

Conduit Debt Obligations

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

The Authority assumes no responsibility for repayment of this debt beyond the resources provided by the underlying Lease or Loan Agreements which is payable from the third-party's revenues, but which is also a general obligation of the third-party payable ultimately from the levy of *ad valorem* taxes on all real property in the third-party's jurisdiction. As of December 31, 2024 and 2023 there were three Series of Conduit Bonds outstanding in the aggregate principal amount of \$68,145,000 and \$71,455,000 respectively, which are treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board and are therefore not included in the financial statements. See *Schedule 7*.

Net Pension Liability

For details on the net pension liability, refer to *Note 14*. The Authority's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences

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

Net Position

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

- **Net Investment in Capital Assets** - This component of net position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

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

- **Restricted** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Unrestricted** - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets". This component includes net position that may be designated for specific purposes by the Board.

Grants

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

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

Use of Estimates

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

Income Taxes

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

Subsequent Events

Management has evaluated subsequent events through July 31, 2025, the date the financial statements were available for issue.

Reclassifications

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

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Pronouncements

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (*the transferor*) contracts with an operator (*a governmental or nongovernmental entity*) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (*the underlying PPP asset*), for a period of time in an exchange or exchange-like transaction. The Authority adopted the Statement effective for fiscal year beginning January 1, 2023. The adoption had no material impact on the Authority's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objectives of this Statement are to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (*governments*). A SBITA is defined as a contract that conveys control of the right to use another party's (*a SBITA vendor's*) information technology (IT) software, alone or in combination with tangible capital assets (*the underlying IT assets*), as specified in the contract for a period of time in an exchange or exchange like transaction. The Authority adopted the Statement effective for fiscal year beginning January 1, 2023. The adoption had no material impact on the Authority's financial statements.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The Objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistence of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges for futures revenues by pledging governments, clarification of certain provisions in Statement 34, as amended and terminology updates related to Statement 53 and Statement 63 are effective immediately. The requirements related to leases, PPP's and SBITAs will become effective for fiscal years beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will become effective for the fiscal years beginning after June 15, 2023. Adoption of the Statement had no material impact on the Authority's financial statements.

In June 2020, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial requirements for accounting changes and error correction to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The Authority adopted the Statement effective for fiscal year beginning January 1, 2023. The adoption had no material impact on the Authority's financial statements.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Pronouncements (Concluded)

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non cash means. This Statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The Authority adopted the Statement effective for fiscal year beginning January 1, 2023. The adoption had no material impact on the Authority's financial statements.

Recent Accounting Pronouncements Not Yet Effective

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

In May 2024, the GASB issued Statement No. 103, *Financial Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement also addresses certain application issues. This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI), however now requires that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentage by which they changed. Additionally, this Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the statements of resource flows. Finally, the Statement requires presentation related to noncapital subsidies, major component unit information and now requires governments to present budgetary comparison information within the RSI, rather than the basic financial statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement 87, Leases, and intangible right to use assets recognized in accordance with Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets disclosure. The Statement also requires additional disclosures for capital assets held for sale.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Recent Accounting Pronouncements Not Yet Effective (Concluded)

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

- **Construction Fund** - Proceeds from any source for payment of costs related to the construction, acquisition or restoration of any System Component, including grants, loans, proceeds derived from the issuance of bonds and insurance proceeds. Payments of costs related to the construction or acquisition of the Facilities Project.
- **Gross Revenue Fund** - Transfers to the Closure/Post Closure Funds, and the Authority Revenue Fund.
- **Authority Revenue Fund** - Balance of funds remaining in the Gross Revenue Fund after the applicable transfers have been made from that fund. Transfers to the Operating Fund, principal and interest accounts in the Bond Service Fund, Bond Reserve Fund, if necessary, transfers to pay amounts due to the County pursuant to the County guarantee, if any, transfers to the Equipment Renewal and Replacement Account, the General Fund and the Rebate Fund.
- **Operating Fund** - Amounts necessary to meet the Operating Fund Requirement. Amounts required for operating expenses.
- **Bond Service Fund Account** - The portion of each principal installment that would accrue during such period if each installment were deemed to accrue daily in equal amounts from the preceding installment due date.
- **Bond Service Fund Capitalized Interest Account** - Proceeds of the Series 2006 Bonds as determined by an authorized officer of the Authority. Payment of interest on the bonds during the construction period.
- **Bond Reserve Fund** - An amount equal to the maximum annual principal and interest payable during the current or any subsequent fiscal year on the bonds, not to exceed 10% of the proceeds of any bonds issued under the resolution. Payment of debt service on the Series 2015A Bonds or amounts needed to bring the Bond Service Accounts up to the Bond Service Requirement.
- **General Renewal** - An amount, if any, needed to equal the system reserve requirement. Transfers to Bond Reserve Fund, if needed, to satisfy the Bond Reserve Requirement and/or reasonable and necessary expenses with respect to Systems Components for major repairs, renewals, replacements or maintenance items of a type not recurring annually or at shorter intervals.
- **Landfill Cell Replacement Account** - Amounts as to be determined by the Authority. Subsequent phase (*landfill cell*) development.
- **Equipment Renewal and Replacement Account** - Amounts to be determined by the Authority. Replacement of operating equipment.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

- **General Fund** - The amount remaining after all required transfers have been made.
- **Rebate Fund** - An amount required to meet the Authority's rebate obligation. Rebates of arbitrage earnings to the United States Government.

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

- **Construction Fund** - Monies from any source for payment of costs related to the construction, acquisition, or restoration of the Facilities Project, including any monies received from the proceeds of insurance, and condemnation awards that are applied to the Facilities Project. Costs related to the construction or acquisition of the Facilities Project.
- **Revenue Fund** - All amounts received by the Authority as rent by any tenant of the facilities pursuant to any lease; payments by County pursuant to County Guaranty; and any amounts received as security for the payment of a particular series of bonds. Insurance proceeds in excess of condemnation award that are not applied to the repair or replacement of the Facilities Project. Transfers to Debt Service Fund to satisfy the Bond Service Requirement.
- **Debt Service Fund** - The portion of each principal and interest installment to meet the Debt Service Requirement. Payment of principal and interest due on the bonds; payment of a particular series of bonds.
- **Sinking Fund** - An amount equal to one-tenth (1/10) of the amount due and payable on or before the next succeeding twelve-month period. Sinking Fund Installments which are due and payable.
- **Rebate Fund** - An amount required to meet the Authority's rebate obligation. Rebates of arbitrage earnings to the United States Government.
- **General Fund** - The amount remaining after all required transfers have been made.
- **General Fund Cost of Issuance** - The amount to pay the costs and expenses which are incurred in connection with the Bonds. Costs and expenses relative to the issuance of the Bonds.
- **Operating Fund** - Amounts necessary to meet the Operating Fund Requirement. Amounts required for operating expenses.

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

- **Construction Fund** - Monies from any source for payment of costs related to the construction, acquisition or restoration of the Facilities Project, including any monies received from the proceeds of insurance, and condemnation awards that are applied to the Facilities Project. Costs related to the construction or acquisition of the Facilities Project.
- **Debt Service Fund** - The portion of each principal and interest installment to meet the Debt Service. Payment of principal and interest due on the bonds; payment of a particular series of Bonds.
- **Rebate Fund** - An amount required to meet the Authority's rebate obligation. Rebates of arbitrage earnings to the United States Government.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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

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

- **Acquisition Fund** - Proceeds from the Series 2017 Bonds and certain other sources to be used for payment of costs related to the construction, acquisition of the Facilities Project, To the extent not otherwise utilized, moneys shall be transferred to the Debt Service Fund.
- **Revenue Fund** - All amounts received by the Authority as lease payments pursuant to the lease agreement with the City of Vineland; certain other payments by the City pursuant to the lease agreement or Trust Indenture. Transfers to Debt Service Fund to satisfy the Debt Service Requirement.
- **Debt Service Fund** - The portion of each principal and interest installment to meet the Debt Service Requirement. Payment of principal and interest due on the bonds; payment of a particular series of bonds.
- **Debt Service Capitalized Interest Fund** - A portion of the proceeds of the Series 2017 Bonds in an amount to equal the Capitalized Interest on the Bonds. Payment of Capitalized Interest on the Series 2017 Bonds.
- **Operating Fund** - Proceeds of the Series 2017 Bonds and any City of Vineland moneys, as may be the case, representing costs of issuance, the initial Authority Financing Fee and Authority Administrative Expenses as defined.
- **Proceeds Fund** - Revenues paid pursuant to the Lease Agreement and not necessary to complete the Construction Project or any Additional Projects shall be transferred from the Acquisition Fund to the Proceeds fund and applied as a credit toward the City's Lease Payment obligations.
- **Debt Retirement Fund** - Subject to certain limitations, if on any Lease Payment Date the amount on deposit in the Debt Service Fund is less than the amount required to be in such fund, funds shall be transferred from the Debt Retirement Fund to the Debt Service Fund. If funds are available in the Debt Retirement Fund that are not required to make up any deficit in the Debt Service Fund, the amounts shall be applied to the purchase or redemption of the applicable series of Bonds.
- **Rebate Fund** - An amount required to meet the Authority's rebate obligation. Rebates of arbitrage earnings to the United States Government.

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

- **Acquisition Fund** - Proceeds from the Series 2018 Bonds and certain other sources to be used for payment of costs related to the construction of the Project. To the extent not otherwise utilized, moneys shall be transferred to the Debt Service Fund.
- **Revenue Fund** - All amounts, including lease payments received by the Authority from the County under the lease agreement with the County of Cumberland or pursuant to the Guaranty of the County; certain other payments by the County pursuant to the lease agreement or Trust Indenture. Transfers to Debt Service Fund to satisfy the Debt Service Requirement.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

- **Debt Service Fund** - The portion of each principal and interest installment to meet the Debt Service Requirement. Payment of principal and interest due on the bonds; payment of a particular series of bonds.
- **Debt Service Capitalized Interest Fund** – A portion of the proceeds of the Series 2018 Bonds in an amount to equal the Capitalized Interest on the Bonds. Payment of Capitalized Interest on the Series 2018 Bonds.
- **Operating Fund** - Proceeds of the Series 2018 Bonds and any County of Cumberland moneys, as may be the case, representing costs of issuance, the initial Authority Financing Fee and Authority Administrative Expenses as defined.
- **Proceeds Fund** - Revenues paid pursuant to the Lease Agreement and Trust Indenture and not necessary to complete the Construction Project or any Additional Projects shall be transferred from the Acquisition Fund to the Proceeds fund and applied as a credit toward the County's Lease Payment obligations.
- **Debt Retirement Fund** - Subject to certain limitations, if on any Lease Payment Date prior to any Interest Payment Date or Principal Installment due date, the amount on deposit in the Debt Service Fund is less than the amount required to be in such fund, funds shall be transferred from the Debt Retirement Fund to the Debt Service Fund. If funds are available in the Debt Retirement Fund that are not required to make up any deficit in the Debt Service Fund, the amounts shall be applied to the purchase or redemption of the applicable series of Bonds.
- **Rebate Fund** - An amount required to meet the Authority's rebate obligation. Rebates of arbitrage earnings to the United States Government.

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

- **Acquisition Fund** - Proceeds from the Series 2019 Bonds and certain other sources to be used for payment of costs related to the construction of the Project. To the extent not otherwise utilized, moneys shall be transferred to the Debt Service Fund.
- **Revenue Fund** - All Revenues as defined in the Trust Indenture. All monies deposited in the Revenue Fund shall be held in trust for the benefit of the Holders, but shall be disbursed and applied solely for the uses and purposes set forth in the Trust Indenture.
- **Operating Fund** - Proceeds of the Series 2019 Bonds representing costs of issuance.
- **Debt Service** - Revenues to pay each principal and interest installment to meet the Debt Service Requirement. Any moneys paid to the Authority pursuant to the County Guaranty shall be deposited in the Debt Service Fund and applied to the payment of principal and interest due on the bonds.

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

- **Acquisition Fund** - Proceeds from the Series 2021 Bonds and certain other sources to be used for payment of costs related to the construction of the Project. To the extent not otherwise utilized, moneys shall be transferred to the Debt Service Fund.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

- **Revenue Fund** - All Revenues as defined in the Trust Indenture. All monies deposited in the Revenue Fund shall be held in trust for the benefit of the Holders, but shall be disbursed and applied solely for the uses and purposes set forth in the Trust Indenture.
- **Operating Fund** - Proceeds of the Series 2021 Bonds representing costs of issuance and the initial Authority Financing Fee.
- **Debt Service Fund** - A portion of the proceeds of the Series 2021 Bonds representing Capitalized Interest shall be deposited into a Capitalized Interest Sub-Account of the Debt Service Fund. Revenues to pay each principal and interest installment to meet the Debt Service Requirement are also to be deposited into this account. Any moneys paid to the Authority pursuant to the City deficiency agreement shall be deposited in the Debt Service Fund and applied to the payment of principal and interest due on the bonds.

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

- **Acquisition Fund** - Proceeds from the Series 2023 Bonds and certain other sources to be used for payment of costs related to the construction of the Project. To the extent not otherwise utilized, moneys shall be transferred to the Debt Service Fund.
- **Revenue Fund** - All Revenues as defined in the Trust Indenture. All monies deposited in the Revenue Fund shall be held in trust for the benefit of the Holders, but shall be disbursed and applied solely for the uses and purposes set forth in the Trust Indenture.
- **Operating Fund** - Proceeds of the Series 2023 Bonds representing costs of issuance.
- **Debt Service Fund** - A portion of the proceeds of the Series 2023 Bonds representing Capitalized Interest shall be deposited into a Capitalized Interest Sub-Account of the Debt Service Fund. Revenues to pay each principal and interest installment to meet the Debt Service Requirement are also to be deposited into this account. Any moneys paid to the Authority pursuant to the County Guaranty shall be deposited in the Debt Service Fund and applied to the payment of principal and interest due on the bonds.

In accordance with the Authority's 2024 City General Obligation Lease Revenue Bonds – (*Bridgeton Fire Station Project, Series 2024*), the Authority has established the following cash and investment accounts for the deposit of all related revenue:

- **Acquisition Fund** - Proceeds from the Series 2024 Bonds and certain other sources to be used for payment of costs related to the construction of the Project. To the extent not otherwise utilized, moneys shall be transferred to the Debt Service Fund.
- **Revenue Fund** - All Revenues as defined in the Trust Indenture. All monies deposited in the Revenue Fund shall be held in trust for the benefit of the Holders, but shall be disbursed and applied solely for the uses and purposes set forth in the Trust Indenture.
- **Operating Fund** - Proceeds of the Series 2024 Bonds representing costs of issuance.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

- **Debt Service Fund** – A portion of the proceeds of the Series 2024 Bonds representing Capitalized Interest shall be deposited into a Capitalized Interest Sub-Account of the Debt Service Fund. Revenues to pay each principal and interest installment to meet the Debt Service Requirement are also to be deposited into this account. Any moneys paid to the Authority pursuant to the City deficiency agreement shall be deposited in the Debt Service Fund and applied to the payment of principal and interest due on the bonds.

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

- **Taxes Account** - An account in which the State of New Jersey mandated Sanitary Landfill Taxes and Host Community Benefit Tax are deposited and remitted to the proper authorities.
- **Closure and Post Closure Escrow Funds** - Accounts in which a mandatory portion of the Tipping Fee is deposited per the New Jersey Department of Environmental Protection (*NJDEP*) requirements. May only be used for expenses with respect to the proper closure and post closure of the landfill.
- **Development Account** – An account established for the purpose of enabling the Authority to act as a vehicle for economic development within the County.

Compliance with the Rate Covenant Contained in the Authority's Solid Waste Bond Resolution

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

Revenues are defined in the Authority's Bond Resolution to be "any funds, other than funds which have been borrowed by the Authority, which the Authority deposits in the Revenue Fund, regardless of the source thereof." For the years 2024 and 2023, Revenues as defined were sufficient to meet the rate covenant contained in Section 712 (2) of the Authority's Bond Resolution.

Compliance with the Loan Covenant Required by the Authority's Series 2017 and 2018 Bond Agreements

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

For purposes of this Bond Agreement, Net Operating Income shall be defined as the net income received from the Pledged Property, after taxes, plus depreciation expense, plus amortization of goodwill and all other intangible assets, plus interest expense accrued on all interest-bearing obligations associated with the Pledged Property." For the years 2024 and 2023, the Authority met the Debt Service Coverage Ratio Requirement contained in the Series 2017 Bond Agreement.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONCLUDED)

Amounts Required by Bond Resolutions

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

	Series 2015 A Operating Fund	Series 2015 A Bond Reserve Fund	Series 2015A Debt Service Fund
Required Amount	\$ 2,219,180	\$ 1,958,950	\$ 1,955,100
Cash and Investments	<u>860,032</u>	<u>2,801,863</u>	<u>2,062,726</u>
Surplus (Deficit)	<u>\$ (1,359,148) *</u>	<u>\$ 842,913</u>	<u>\$ 107,626</u>

* Deficit is the result of timing differences – additions were made to the Operating Fund in January 2025.

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

	Series 2014 Debt Service Fund	Series 2015 Debt Service Fund
Required Amount	\$ 443,333	\$ 149,722
Cash and Investments	<u>639,892</u>	<u>421,320</u>
Surplus	<u>\$ 196,558</u>	<u>\$ 271,598</u>

Arbitrage Rules

The Authority is subject to certain arbitrage rules added to the Internal Revenue Code in 1969 and amended by TEFRA in 1992 and by the 1986 TRA. Under these rules, interest earnings on certain investments of proceeds of the Authority's bonds are subject to the limitations imposed by the arbitrage provisions of the Internal Revenue Code. The Authority is required to rebate certain arbitrage profits on non-purpose investments at least once every five years. At December 31, 2024 and 2023, the Authority has recorded a rebate liability in the amount of \$0 and \$254,180, respectively.

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2024, the carrying amount and bank balance of the Authority's time and demand deposits were \$1,245,125 and \$1,757,247, respectively. At December 31, 2023 the carrying amount and bank balance of the Authority's time and demand deposits were \$1,230,357 and \$2,169,724, respectively. All of the time and demand deposits were covered by either federal deposit insurance or by the Governmental Unit Deposit Protection Act (GUDPA).

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. Although the Authority does not have a formal policy regarding custodial credit risk, as described in *Note 1*, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act.

Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (*FDIC*). The Authority's public funds in excess of the FDIC insured amounts are protected by GUDPA.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND CASH EQUIVALENTS (CONCLUDED)

As of December 31, 2024, \$308,145 of the Authority's bank balance of \$1,757,247 was insured and \$1,449,102 was uninsured and collateralized. As of December 31, 2023, \$286,759 of the Authority's bank balance of \$2,169,724 was insured and \$1,882,965 was uninsured and collateralized.

In addition to the bank deposits described above, as of December 31, 2024 and 2023, the Authority had \$68,757,293 and \$59,903,293 respectively, invested in government money market funds which are not covered by federal deposit insurance or by GUDPA, but which invest exclusively in general obligations issued by the U.S. Government and backed by its full faith and credit and which carries a credit rating of AAA.

At December 31, 2024 and 2023, the Authority had \$10,658,113 and \$11,280,597 respectively, invested in the New Jersey Cash Management Fund (*the Fund*) which is not covered by either federal deposit insurance or by GUDPA. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to ensure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above.

NOTE 4 - INVESTMENTS

Custodial Credit Risk

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

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. All of the Authority's investments (\$20,550,655 at December 31, 2024 and \$29,762,313 at December 31, 2023) in U.S. Treasury obligations and agencies and other governmental agencies are held in the name of the counterparty not in the name of the Authority.

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Fair Value Measurements

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

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - INVESTMENTS (CONCLUDED)

As of December 31, 2024, the Authority had the following investments and maturities which are measured using Level 1 inputs.

<u>Quality/Rating</u>	<u>Total Fair Value</u>
Treasury/Agency	\$ 19,764,242
AA2	206,858
A2	579,555
Other	-
Total Investments	<u>\$ 20,550,655</u>

<u>Investment Maturities (in Years)</u>				
<u>Total</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
<u>\$ 20,550,655</u>	<u>\$ 5,812,521</u>	<u>\$ 10,077,138</u>	<u>\$ 3,889,861</u>	<u>\$ 771,135</u>

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

<u>Quality/Rating</u>	<u>Total Fair Value</u>
Treasury/Agency	\$ 27,354,694
AA2	215,132
A2	619,680
Other	1,572,807
Total Investments	<u>\$ 29,762,313</u>

<u>Investment Maturities (in Years)</u>				
<u>Total</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
<u>\$ 29,762,313</u>	<u>\$ 10,092,989</u>	<u>\$ 14,510,039</u>	<u>\$ 4,119,458</u>	<u>\$ 1,039,827</u>

Investments in Redevelopment Sites

On July 1, 2018, the Cumberland County Board of Vocational Education (*District*) transferred and conveyed the ownership and operation of certain land and improvements located in the Township of Deerfield, New Jersey (*Township*) to the Authority for \$1 in order to advance redevelopment on behalf of the Township. The property was valued at fair market value based upon a subsequently executed agreement of sale in the amount of \$2,000,000.

Upon the completion of the sale, pursuant to the transfer of ownership agreement, the Authority is entitled to 70% of the proceeds, and the District is entitled to 30%. In September 2024, the Authority sold the property to a third party at the executed agreement price of \$2,000,000. The 30% entitled to the district has been held by the Authority and will be applied to future rents due.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - GRANT FUNDS RECEIVABLE AND UNEARNED GRANT REVENUE

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

Name of Grant	Receivable (Unearned Revenue) Jan 1, 2024	Earned/ Expended 2024	Received 2024	Canceled 2024	Receivable (Unearned Revenue) Dec 31, 2024
NJDEP:					
Recycling Grants:					
REA Tax Entitlement Grant					
2023	\$ 161,030	\$ 970	\$ 162,000	\$ -	\$ -
2024	-	151,110	-	-	151,110
Clean Communities (Passed through the County of Cumberland)					
2024	-	221,580	241,806	-	(20,226)
Southern NJ Regional Wellness Grant	-	4,034	4,034	-	-
Summer Youth Program	-	6,400	6,400	-	-
Opportunity Zone Grant	25,000	-	25,000	-	-
NJEDA Grant - Atlantic St	8,418	-	72,846	-	(64,428)
NJEDA Grant - BDT Project	(96,368)	43,791	-	-	(52,577)
NJEDA Grant - Arts and Innovation	(79,692)	540	-	-	(79,152)
	<u>\$ 18,388</u>	<u>\$ 428,425</u>	<u>\$ 512,086</u>	<u>\$ -</u>	<u>\$ (65,273)</u>

NOTE 6 - LOANS RECEIVABLE

Deerfield Township

In May 2016, the Authority entered into a loan agreement in the amount of \$521,556 with the Township of Deerfield for the purchase of a special emergency and fire rescue vehicle. The loan bears interest at a rate of 0.25% per annum on the unpaid principal balance. Principal and interest payments in the amount of \$52,876 will be made in ten annual payments beginning on July 1, 2017 and ending July 1, 2026. The balance at December 31, 2024 and 2023 is \$105,355 and \$157,835 respectively. The current portion of the receivable at December 31, 2024 is \$52,875.

Millville Urban Redevelopment Corporation

In 2015, the Authority adopted several resolutions with respect to the Arts & Innovation Center to be used by the Cumberland County College for its Arts & Business Innovation Campus (Project) including resolutions 1) authorizing the acquisition of the Project, 2) approving contracts with the architect to design the Project and with the general contractors to construct the Project, 3) approving entering into a Development Agreement with the Millville Urban Redevelopment Corporation (MURC), later renamed The Authority Redevelopment Corporation (ARC). In 2016 it was determined it would be beneficial for the Project to be financed through utilizing the federal New Markets Tax Credit (*NMTC*).

As a result, in April 2016 the Authority adopted a resolution making findings and determinations with respect to the authorization of various transactions related to the ownership, development, construction, financing and management of the Arts and Innovation Center Project and to the execution and delivery of various agreements by the Authority in connection therewith. This resolution defined the Authority's role in the transaction to be that of a Leveraged Lender authorizing the Authority to make a leveraged loan in an amount equal to \$4,784,375 to Millville Arts Center Investment Fund, LLC.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LOANS RECEIVABLE (CONCLUDED)

Millville Urban Redevelopment Corporation (Concluded)

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

Beginning in the year 2023, through the year 2036, the balance of principal and interest shall amortize on a basis of a fifty-two (52) year schedule at an interest rate of 1.0175%. Beginning in 2037, the principal and interest shall amortize on the basis of a twenty (20) year schedule through the maturity date of May 18, 2056.

The leveraged loan was funded from the following sources - proceeds in the amount of \$3,200,000 from the issuance of taxable Chapter 12 Bonds by the County of Cumberland for the benefit of the College; proceeds of a loan from the Cumberland Empowerment Zone Corporation (CEZC) in the principal amount of \$1,000,000; a New Jersey Department of Community Affairs grant in the amount of \$540,003 passed through the Holly City Development Corporation; and the Authority made a capital contribution towards the Project in the amount of \$200,000 as well as an additional amount advanced in the amount \$44,372. The balance of the loan receivable as of December 31, 2024 and 2023 is \$4,784,375.

In May of 2023, in connection with the “unwinding” of the NMTC structure, the Authority exercised its put option and became the 100% Owner of the NJCC CDE Middlesex, LLC. which was subsequently liquidated, with the MURAICC continuing to be the Borrower. The Authority also entered into a separate agreement to acquire 100% of the MURAICC. The financial statements of the MURAICC are reported in the Authority’s financial statements as a blended component unit. Additionally, the MURAICC was renamed the Authority Redevelopment Corporation. The \$4,784,375 loan is now due to the Authority from the ARC, with Principal and Interest Payments Deferred until the conclusion of the lease agreement with the Rowan College of South Jersey in 2036.

Food Specialization Project

In March of 2018 the Authority adopted a resolution approving a project and project financing for a Food Specialization Project (“Project”) located in the City of Bridgeton, New Jersey. The Authority acquired the property for the Project from the City of Bridgeton and is acting as developer for the project undertaking the design, development, financing and construction of the Project. In May of 2018 the Authority entered into a Fund Loan Agreement with 481 Bridgeton Investment Fund, LLC. (“Borrower”). Pursuant to the agreement the Authority provided a leveraged loan in the principal amount of \$7,357,350 to the Borrower related to the development of the Project. Funds for the leveraged loan were derived from the proceeds of a \$7,357,350 “source loan” from a local lender. The leveraged loan has a 30-year term, maturing May 23, 2048 at an interest rate of 1.78% per annum. The Authority is to receive interest only payments for the first seven (7) years of the loan term. Beginning in the year 2025, through the year 2032, the balance of principal and interest shall amortize on a basis of a fifty (50) year amortization.

Thereafter, the principal and interest shall amortize on the basis of a sixteen (16) year schedule through the maturity date of May 23, 2048. The balance of the leveraged loan receivable as of December 31, 2024 and 2023 is \$7,357,350. The current portion of the receivable at December 31, 2024 is \$22,890.

Holly City Development Corporation

In May 2022, the Authority authorized a loan in the amount of \$150,000 to the Holly City Development Corporation to provide gap financing approved by the New Jersey Department of Community Affairs to complete the implementation of the Neighborhood Revitalization Program and Initiatives in downtown Millville. The loan bears interest at a rate of 1.00% per annum, payable in a lump sum at the end of the term, which was originally set at twelve (12) months. The Authority subsequently approved a thirteen (13) month extension of the due date to June of 2024 when it was paid off in full. The balance at December 31, 2024 and 2023 is \$0 and \$150,000.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LOANS RECEIVABLE (CONCLUDED)

The Loans Receivable balances as of December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Deerfield Township	\$ 105,355	\$ 157,835
Millville Urban Redevelopment	4,784,375	4,784,375
Food Specialization Project	7,357,350	7,357,350
Holly City Development Corporation	-	150,000
Total Investments	12,247,080	12,449,560
Less: Current Portion	<u>(75,765)</u>	<u>(314,174)</u>
 Non-Current Loans Receivable	 <u>\$ 12,171,315</u>	 <u>\$ 12,135,386</u>

NOTE 7 - LEASE RECEIVABLES AND DEFERRED INFLOWS - LEASES

The Authority leases certain buildings/properties to the State of New Jersey, County of Cumberland, City of Bridgeton, City of Vineland, certain Not-for-Profit Entities and Commercial enterprises and various school districts and college within the County. The lease terms are as follows at December 31, 2024:

<u>Lessee</u>	<u>Number of Leases</u>	<u>Lease Term</u>
County of Cumberland	5	(2) Leases are for 20 years; (2) Leases are for 10 Years with (2) 5-year extensions; (1) Lease is for 40 years
State of New Jersey	6	(5) Leases are for 10 years with (2) 5-year extensions; (1) Lease is for 8.75 years with (2) 5-year extensions
City of Vineland	2	(1) Lease is for 15 years; (1) Lease is for 25 years
Not-For-Profit Organizations	1	(1) Lease is for 5 years
Commercial Entities	3	(1) Lease for 20 years; (1) Lease is for 10 years (1) Lease is for 3 years
Vineland Board of Education	1	5 years
Cumberland County VOC Educa	1	15 years
City of Bridgeton	1	30 years
Rowan College of South Jersey	<u>1</u>	30 years
	 <u>21</u>	

For lease payments that secure the Authority's debt related to the leased property, there are no provisions for the lessee to terminate or abate lease payments prior to the end of the lease term.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LEASE RECEIVABLES AND DEFERRED INFLOWS – LEASES (CONCLUDED)

Deferred Inflows recognized in 2024 and 2023 were \$5,861,073 and \$5,221,232 respectively and the Interest portion of Lease payments received in 2024 and 2023 was \$5,392,166 and \$5,540,049 respectively.

The following is a summary of changes in lease receivables for the years ended December 31, 2024 and 2023.

	Balance Jan.1, 2024	2024 Leases	2024 Cancellations	2024 Reductions	Balance Dec. 31, 2024	Amounts Due Within 1 Year	Non-Current Portion
Lease Receivables	\$134,056,212	\$ 1,379,711	\$ (3,360,690)	\$ (5,456,549)	\$126,618,684	\$ 5,074,655	\$121,544,029

	Balance Jan.1, 2023	2023 Leases	2023 Cancellations	2023 Reductions	Balance Dec. 31, 2023	Amounts Due Within 1 Year	Non-Current Portion
Lease Receivables	\$131,056,250	\$ 11,054,438	\$ (3,145,976)	\$ (4,908,500)	\$134,056,212	\$ 5,336,119	\$128,720,093

The annual lease payments to be received by the Authority, including principal and interest, as of December 31, 2024 are as follows:

Future Lease Payments			
	Principal	Interest	Total
2025	\$ 5,074,655	\$ 5,230,668	\$ 10,305,323
2026	4,372,266	5,052,739	9,425,005
2027	4,586,241	4,876,654	9,462,895
2028	4,776,646	4,692,117	9,468,763
2029	5,043,472	4,498,353	9,541,825
2030-2034	29,010,990	19,192,241	48,203,231
2035-2039	20,360,161	14,024,605	34,384,766
2040-2044	14,811,932	10,456,057	25,267,989
2045-Thereafter	38,582,329	13,975,407	52,557,736
	\$ 126,618,692	\$ 81,998,841	\$ 208,617,533

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the years ended December 31, 2024 and 2023 was as follows:

	Balance Jan. 1 2024	Additions	Adjustments	Reductions	Balance Dec. 31, 2024
Non-Depreciable Capital Assets:					
Land	\$ 5,471,176	\$ -	\$ -	\$ -	\$ 5,471,176
Construction In Progress	20,239,572	6,938,906	90,188	(2,342,873)	24,925,793
Non-Depreciable Capital Assets	25,710,748	6,938,906	90,188	(2,342,873)	30,396,969
Depreciable Capital Assets:					
Building and Related Improvements	118,122,485	259,563	-	-	118,382,048
Improvements other than Buildings	96,852,524	2,426,214	-	-	99,278,738
Machinery and Equipment	20,199,842	4,140,300	-	(911,036)	23,429,106
Office Equipment	665,447	157,055	-	-	822,502
Total Depreciable Capital Assets	235,840,298	6,983,131	-	(911,036)	241,912,393
Less Accumulated Depreciation:					
Building and Related Improvements	41,841,523	4,751,180	-	-	46,592,704
Improvements other than Buildings	57,928,973	4,006,153	-	-	61,935,126
Machinery and Equipment	16,194,158	1,671,973	-	(764,861)	17,101,270
Office Equipment	594,978	23,235	-	-	618,213
Less Accumulated Depreciation	116,559,632	10,452,542	-	(764,861)	126,247,313
Net Depreciable Capital Assets	119,280,667	(3,469,411)	-	(146,175)	115,665,081
Total Capital Assets, Net	\$144,991,415	\$ 3,469,495	\$ 90,188	\$ (2,489,048)	\$146,062,049

	Balance Jan. 1 2023	Additions	Adjustments	Reductions	Balance Dec. 31, 2023
Non-Depreciable Capital Assets:					
Land	\$ 4,881,176	\$ -	\$ 600,000	\$ 10,000	\$ 5,471,176
Construction In Progress	20,249,485	3,946,016	-	3,955,929	20,239,572
Non-Depreciable Capital Assets	25,130,661	3,946,016	600,000	3,965,929	25,710,748
Depreciable Capital Assets:					
Building and Related Improvements	112,404,585	1,489,470	6,756,314	2,527,884	118,122,485
Improvements other than Buildings	93,711,286	3,141,238	-	-	96,852,524
Machinery and Equipment	19,853,491	346,848	-	497	20,199,842
Office Equipment	633,220	20,300	11,927	-	665,447
Total Depreciable Capital Assets	226,602,582	4,997,856	6,768,241	2,528,381	235,840,298
Less Accumulated Depreciation:					
Building and Related Improvements	36,915,595	4,684,416	1,037,194	795,682	41,841,523
Improvements other than Buildings	54,217,408	3,711,565	-	-	57,928,973
Machinery and Equipment	14,745,519	1,449,136	-	497	16,194,158
Office Equipment	574,300	13,863	6,815	-	594,978
Less Accumulated Depreciation	106,452,822	9,858,980	1,044,009	796,179	116,559,632
Net Depreciable Capital Assets	120,149,760	(4,861,124)	5,724,232	1,732,202	119,280,666
Total Capital Assets, Net	\$145,280,421	\$ (915,108)	\$ 6,324,232	\$ 5,698,131	\$144,991,414

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (CONCLUDED)

Depreciation expense for the years ended December 31, 2024 and 2023 was charged to:

	2024	2023
Solid Waste Operations	\$ 5,537,399	\$ 5,100,443
Other Operations	4,915,143	4,758,537
	\$ 10,452,542	\$ 9,858,980

NOTE 9 - BONDS PAYABLE

Refer below for information on each Bond Payable as of December 31, 2024. Refer to Note 12 for breakout of balances for each bond.

County Guaranteed Solid Waste Revenue Refunding Bonds – June 2015 (Series 2015A)

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

County Guaranteed Solid Waste Revenue Refunding Bonds – June 2015 (Series 2015A) (Concluded)

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

The outstanding balance of the Series 2015A Bonds at December 31, 2024 consists of serial and term bonds that mature in various amounts annually in 2026, with interest rates ranging from 3.00% to 4.00%. The outstanding balance of the Series 2015A Bonds at December 31, 2024 and 2023 is \$3,790,000 and \$5,570,000, respectively.

Lease Revenue Bonds – Board of Social Services/Employment and Training Facilities – May 2014 (Series 2014)

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

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - BONDS PAYABLE (CONTINUED)

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

The outstanding balance of the Series 2014 Bonds at December 31, 2024 consists of serial and term bonds that mature in various amounts ranging from \$665,000 in 2025 to \$1,110,000 in 2039 with interest rates ranging from 3.00% to 4.00%. The outstanding balance of the Series 2014 Bonds at December 31, 2024 and 2023 is \$12,915,000 and \$13,555,000, respectively.

Lease Revenue Bonds – State Office Buildings – August 2015 (Series 2015)

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

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

The outstanding balance of the Series 2015 Bonds at December 31, 2024 consists of serial bonds that mature in various amounts ranging from \$275,000 in 2025 to \$395,000 in 2030 with an interest rate of 3.690%. The outstanding balance of the Series 2015 Bonds at December 31, 2024 and 2023 is \$2,150,000 and \$2,415,000, respectively.

New Jersey Environmental Infrastructure Trust Bonds – May 2017 (Series 2017A/B NJEIT Bonds)

In May 2017, the Authority issued indebtedness in connection with a financing involving the New Jersey Environmental Infrastructure Trust to finance a solid waste project (*the Series 2017A NJEIT Bonds and the Series 2017B NJEIT Bonds*). The Authority's Series 2017A NJEIT Bonds were issued in the principal amount of \$2,510,000. The outstanding balance of the Series 2017A Bonds at December 31, 2024 consists of serial maturities ranging from \$125,000 in 2025 to \$175,000 in 2036 with interest rates ranging from 3.00% to 5.00%. The Series 2017B NJEIT Bonds were issued in the principal amount of \$7,648,515 at zero interest with annual principal payments in the amount of \$388,908 through 2036. As of December 31, 2024 and 2023, \$1,790,000 and \$1,910,000 principal amount of the Series 2017A NJEIT Bonds remained outstanding, respectively and \$4,666,889 and \$5,055,797 principal amount of the Series 2017B NJEIT Bonds remained outstanding, respectively.

Revenue Bonds – Office Building Acquisition Project – October 2017 (Series 2017)

In October 2017, the Authority issued Revenue Bonds (Office Building Acquisition Project), Series 2017 (Federally Taxable) in the principal amount of \$12,000,000 at an interest rate of 4.950%. The proceeds from the sale of the Bond have been used to finance the acquisition of an existing industrial/office complex located at 51-71 West Park Avenue which is comprised of (a) a 32,000 square foot office building, (b) a 30,000 square foot maintenance facility, and (c) a 270,000 square foot warehouse/distribution center.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - BONDS PAYABLE (CONTINUED)

Revenue Bonds – Office Building Acquisition Project – October 2017 (Series 2017) (Concluded)

The bond is a first priority mortgage pursuant to which the Authority has assigned, subject to certain reserved rights, its interest under the Lease agreements. The Authority sold one of the properties acquired with the proceeds of the Series 2017 Bonds in May of 2022, and partially redeemed Bonds in the amount of \$6,652,000. The remaining annual principal maturities range from \$136,000 in 2025 to \$373,000 in 2042 with interest rates ranging from 4.375% to 6.950%. As of December 31, 2024 and 2023, the outstanding balance is \$4,247,000 and \$4,375,000 respectively.

Lease Revenue Bonds – Vineland Public Safety Building – December 2017 (Series 2017 VPSB)

In December 2017, the Authority issued its City General Obligation Lease Revenue Bonds (*Vineland Public Safety Building Project*), Series 2017, in the initial aggregate principal amount of \$21,935,000 (*the Series 2017 Vineland Public Safety Building Bonds*), to provide funds which have been used to finance the acquisition of certain real property in the City of Vineland, County of Cumberland, New Jersey (*the City*) on behalf of the City, which, together with certain real property currently owned by the City, will comprise the Project Site for the development and construction of an approximately 53,000 square foot public safety facility on the project site and the costs of equipping the Facility. Lease revenues and the related lease receivables from this property are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 3.25% to 5.00%. Principal maturities range from \$750,000 in 2025 to \$1,410,000 in 2042. As of December 31, 2024 and 2023, the outstanding balance is \$19,290,000 and \$20,005,000, respectively.

Revenue Bonds – Facilities Renovation – September 2018 (Series 2018)

In September 2018, the Authority issued its Revenue Bonds (*Facilities Renovation Project*), Series 2018 in the principal amount of \$3,200,000 to finance various renovations and improvements to the existing industrial/office complex in the City of Vineland. The payment of the principal of and the interest on these Bonds is secured by lease payments made to the Authority by the City of Vineland. The Bonds bear interest at 4.980% to 6.950%. Principal maturities range from \$201,000 in 2025 to \$286,000 in 2033. As of December 31, 2024 and 2023, the outstanding balance is \$2,174,000 and \$2,366,000 respectively.

Lease Revenue Bonds – County Correctional Facility – December 2018 (Series 2018)

In December 2018, the Authority issued its County Guaranteed Lease Revenue Bonds (*County Correctional Facility Project*), Series 2018, in the initial aggregate principal amount of \$64,990,000 to provide funds which were initially to be used to finance the acquisition of certain real property in the City of Bridgeton, County of Cumberland, New Jersey for the development and construction of a 100,000 square foot, approximately 408 bed correctional facility and a 25,000 square foot, three-story holding center and criminal courtroom facility. A portion of this project is on hold, however, Lease revenues and the related lease receivables from this project continue to be due and payable to the Authority and are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 4.00% to 5.50%. Principal maturities range from \$780,000 in 2025 to \$3,355,000 in 2058. As of December 31, 2024 and 2023, the outstanding balance is \$61,625,000 and \$62,365,000, respectively.

County Guaranteed Revenue Bonds – April 2019 (Series 2019)

In April 2019 the Authority issued its Series 2019 County Guaranteed Revenue Bonds in the aggregate principal amount of \$4,970,000. The Series 2019 Bonds were issued to provide funds which were used to pay: (1) the costs of acquisition of certain real property located in the Township of Deerfield, County of Cumberland, New Jersey (*the Project Site*); (2) the costs of design and construction of an approximately 15,000 square foot Authority administration building, which will be utilized to create office space for the Authority's officers and employees (*the Facility*); (3) the completion of such other improvements and work and acquisition of equipment and materials as may be necessary or appropriate in connection with the construction of the Facility; and (4) the costs and expenses incurred by the Authority and the County in connection with the issuance and delivery of the Series 2019 Bonds (*collectively, the Project*). The Series 2019 Bonds are secured by the provisions of a guaranty of the County of Cumberland and by a lien on the pledged property. The Bonds bear interest at 3.50% to 5.00%. Principal maturities range from \$100,000 in 2025 to \$295,000 in 2049. As of December 31, 2024 and 2023, the outstanding balance is \$4,525,000 and \$4,620,000, respectively.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - BONDS PAYABLE (CONTINUED)

Lease Revenue Bonds – Vineland Board of Education Bus Depot Expansion – April 2020 (Series 2020)

In April of 2020, the Authority issued its Lease Revenue Bonds (Vineland Board of Education Bus Depot Expansion Project), Series 2020, in the initial aggregate principal amount of \$3,165,000 to provide funds which will be used to finance the expansion of the City of Vineland School District's bus depot in the City of Vineland, County of Cumberland, New Jersey together with all other costs and expenses necessary for or related to the development, construction and equipping of the Bus Depot Expansion. Lease revenues and the related lease receivables from this property are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 1.52%. Principal maturities are \$650,000 in 2025. As of December 31, 2024 and 2023, the outstanding balance is \$650,000 and \$1,290,000, respectively.

Lease Revenue Bonds – Bridgeton Fire Station – December 2021 (Series 2021)

In December of 2021, the Authority issued its City General Obligation Lease Revenue Bonds, (Bridgeton Fire Station Project) Series 2021, in the initial aggregate principal amount of \$7,495,000 to finance: (1) the costs of the planning, design and construction of a new approximately 30,000 square foot Fire Station for use by the City Fire Department (Facilities Project) to be located at 168 East Commerce Street in the City (Lot 1, Block 121) (Project Site); (2) all other costs and expenses necessary for or related to the development, construction and equipping of the Facilities Project; (3) capitalized interest on any bonds, notes or other debt obligations issued by the Authority to finance the costs thereof; (4) the costs of issuance with respect to the proposed financing, all as further set forth in the information submitted to the Authority in connection there with or as previously discussed among the parties (collectively, the 2021 Project). Lease revenues and the related lease receivables from this property are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 3.00% to 4.00%. Principal maturities range from \$160,000 in 2025 to \$400,000 in 2051. As of December 31, 2024 and 2023, the outstanding balance is \$7,200,000 and \$7,350,000, respectively.

Lease Revenue Bonds – Technical School Facility Acquisition – February 2022 (Series 2022)

In February of 2022, the Authority issued its County Guaranteed Lease Revenue Bonds (Technical School Facility Acquisition Project), Series 2022, in the initial aggregate principal amount of \$1,990,000 to provide funds which will be used to finance the cost of acquisition of a building located in Vineland, New Jersey for use by the Cumberland County Board of Vocational Education (CCBVE) and the County for non-educational administrative purposes; capitalized interest and any reserve funds, as may be necessary; and the costs of issuance with respect to the financing. Lease revenues to be received from the CCBVE and the related lease receivables from this property are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 2.34%. Principal maturities range from \$65,000 in 2025 to \$965,000 in 2036. As of December 31, 2024 and 2023, the outstanding balance is \$1,790,000 and \$1,855,000, respectively.

County Guaranteed Revenue Bonds – State Police Barracks – November 2023 (Series 2023)

In November of 2023, the Authority issued its County Guaranteed Revenue Bonds (State Police Barracks Project), Series 2023, in the initial aggregate principal amount of \$6,300,000 to provide funds which will be used to finance the costs of the planning, design and construction of a new approximately 13,307 square foot, state-of-the-art State Police Barracks facility to serve the New Jersey State Police (New Facility) to be located at Mauricetown Bypass Road in the Township of Commercial, including the completion of such other improvement and work and acquisition of equipment and materials as may be necessary, capitalized interest and any costs of issuance with respect to the financing. Lease revenues to be received from the State of New Jersey, Division of Property Management on behalf of the New Jersey State Police and the related lease receivables from this property are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 5.00%. Principal maturities range from \$100,000 in 2025 to \$395,000 in 2053. As of December 31, 2024 and 2023, the outstanding balance is \$6,300,000 and \$6,300,000.

Revenue Bonds – New Jersey Environmental Infrastructure Trust – November 2023 (Series 2023)

In December of 2023, the Authority issued indebtedness in connection with a financing involving the New Jersey Environmental Infrastructure Trust to finance a solid waste project. The debt was issued in two separate parts. The Trust Portion was issued in the principal amount of \$2,927,005. The outstanding balance of the Trust Portion at December 31, 2024 consists of serial maturities ranging from \$100,000 in 2025 to \$211,300 in 2043 with interest rates ranging from 3.03% to 5.00%.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - BONDS PAYABLE (CONCLUDED)

Revenue Bonds – New Jersey Environmental Infrastructure Trust – November 2023 (Series 2023) (Concluded)

The Fund Portion was issued in the principal amount of \$2,330,478 at zero interest with annual principal payments in the amount of \$118,499 from 2025 through 2026 through 2043. As of December 31, 2024 and 2023, \$2,927,005 and \$2,927,005 principal amount remained outstanding for the Trust Portion and \$2,330,478 and \$2,251,479 principal amount on the Fund Portion, respectively.

Lease Revenue Bonds – Bridgeton Fire Station – October 2024 (Series 2024)

In October of 2024, the Authority issued its City General Obligation Lease Revenue Bonds (*Bridgeton Fire Station Project*), Series 2024, in the initial aggregate principal amount of \$2,730,000 to provide funds which will be used to (1) finance the cost of construction of an expansion for the Bridgeton Fire Station Complex for use by the City of Bridgeton Fire Department located at 168 East Commerce Street in the City; (2) all other costs and expenses necessary for or related to the development, construction and equipping of the facilities project; and (3) the costs of issuance with respect to the proposed financing. Lease revenues to be received from the City of Bridgeton and the related lease receivables from this property are pledged to the payment of debt service on the Bonds. The Bonds bear interest at 4.00% to 5.00%. Principal maturities range from \$70,000 in 2025 to \$200,000 in 2044. As of December 31, 2024, the outstanding balance is \$2,730,000.

NOTE 10 - NOTES PAYABLE

Refer below for information on each Note Payable as of December 31, 2024. Refer to Note 12 for breakout of balances for each note.

TD Bank Term Loan

In December 2017, the Authority (*Borrower*) secured a term loan with TD Bank, N.A. (*Lender*) in the amount of \$7,357,350 at a fixed interest rate of 3.86%. The loan is secured by property located at E. Broad to Willow Streets, City of Bridgeton, Cumberland County, New Jersey to be used to fund a loan from the Borrower to the Investment Fund in connection with the NMTC Transaction and to pay costs and expenses incident to closing the Loan. Principal payments commenced in February of 2019. As of December 31, 2024 and 2023, the outstanding balance is \$4,501,975 and \$4,597,424, respectively.

Cumberland Empowerment Zone Corp (CEZC) Loan

In June 2018, the Authority entered into a Project Development and Management Agreement with the Cumberland Empowerment Zone Corp. for the Bridgeton Redevelopment Project and the Authority's Administration Building Projects. The CEZC loaned the Authority \$1,000,000 for each of those projects with a 7-year term for the Bridgeton Redevelopment Project and a 5-year term for the Authority's Administration Building Project. The Authority repaid \$1,000,000 for the Administration Building Project in 2019. The outstanding balance as of December 31, 2024 and 2023 is \$1,000,000.

TD Bank Equipment Loan (CNG Station)

In July 2018, the Authority secured financing for certain equipment acquisitions (*via lease/purchase agreements*) in the amount of \$3,000,000 related to the Compressed Natural Gas (CNG) Facility located at the Authority's Solid Waste Complex. The \$3,000,000 borrowing is for a 10-year term at 3.380% interest. Principal payments range from \$313,905 in 2025 to \$346,822 in 2028. The outstanding balance at December 31, 2024 and 2023 is \$1,320,727 and \$1,624,369, respectively.

TD Bank Equipment Loan (Vehicles)

In October 2019 the Authority secured a loan from TD Bank, NA. in the amount of \$200,000 in connection with the acquisition of certain vehicles. The equipment acquired with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 5-year term bearing interest at a rate of 2.10%. Final principal payment was due in October 2024 in the amount of \$41,680. The outstanding balance at December 31, 2024 and 2023, is \$0 and \$41,680, respectively.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - NOTES PAYABLE (CONCLUDED)

TD Bank Equipment Loan (Gas Wells)

In April 2020, the Authority secured a loan from TD Bank, NA. in the amount of \$725,000 in connection with the acquisition of certain equipment. The equipment acquired with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 5-year term bearing interest at a rate of 1.750%. Principal payments are \$150,074 in 2025. The outstanding balance at December 31, 2024 and 2023 is \$150,074 and \$297,568, respectively.

TD Bank Equipment Loan (Food Equipment)

In October 2020 the Authority secured a loan from TD Bank, NA. in the amount of \$1,650,000 in connection with the acquisition of certain equipment. The equipment acquired with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 7-year term bearing interest at a rate of 1.450%. Principal payments range from \$239,033 in 2025 to \$246,016 in 2027. The outstanding balance at December 31, 2024 and 2023 is \$727,547 and \$963,164, respectively.

TD Bank Equipment Loan (Generators)

In December 2020 the Authority secured a loan from TD Bank, NA. in the amount of \$850,000 in connection with the acquisition of certain equipment. The equipment acquired with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 5-year term bearing interest at a rate of 1.430%. Principal payments are \$147,561 in 2025. The outstanding balance at December 31, 2024 and 2023 is \$147,562 and \$293,041, respectively.

TD Bank Equipment Loan (Food SIM)

In September 2021 the Authority secured a loan from TD Bank, NA. in the amount of \$2,400,000 in connection with the acquisition of certain equipment. The equipment acquired with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 7-year term bearing interest at a rate of 2.680%. Principal payments range from \$342,378 in 2025 to \$370,649 in 2028. The outstanding balance at December 31, 2024 and 2023 is \$1,425,557 and \$1,758,998, respectively.

TD Bank Equipment Loan (EQ Tank)

In December 2023, the Authority secured a loan from TD Bank, NA. in the amount of \$1,275,000 to fund the Leachate Equalization Inner Tank Replacement Project. The project completed with these proceeds are used as collateral to secure the outstanding loan balance. The loan is for a 10-year term bearing interest at a rate of 4.910%. Principal payments range from \$106,127 in 2025 to \$155,726 in 2033. The outstanding balance at December 31, 2024 and 2023 is \$1,165,884 and \$1,275,000.

The Authority Redevelopment Corporation Loan

As described in *Note 6* in connection with the “unwinding” of the NMTC structure, the Authority exercised its put option and became the 100% Owner of the NJCC CDE Middlesex, LLC, which was subsequently liquidated, with the MURAICC, later renamed The Authority Redevelopment Corporation, continuing to be the Borrower. The Authority also entered into a separate agreement to acquire 100% of the ARC. The financial statements of the ARC are reported in the Authority’s financial statements as a blended component unit. ARC owes the Authority a loan in the amount of \$4,784,375 as of December 31, 2024. Per agreement with the Rowan College of South Jersey, principal and interest payments are deferred until the conclusion of the lease agreement in 2036, when the full amount becomes due. The outstanding balance at December 31, 2024 and 2023 is \$4,784,375.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - ACCRUED CLOSURE AND POST CLOSURE CARE COSTS

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

The \$43,350,671 reported as accrued closure and post closure care costs at December 31, 2024 represents the cumulative amount reported to date based on the use of approximately 69.31% of the estimated capacity of the landfill. The Authority will recognize the remaining \$19,193,770 of the total estimated cost of closure and post-closure care of \$62,544,441 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2024. The Authority expects to close the landfill in the year 2042. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The Authority is required by state laws and regulations to make annual contributions to a trust to finance closure and post-closure care costs. The Authority is in compliance with these requirements, and at December 31, 2024, cash and investments of \$18,265,686 (*\$20,051,297-cost*), are held for these purposes. These are reported as restricted assets on the statements of net position. The Authority expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional 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 revenue.

The amounts reported above as accrued closure and post closure care costs and remaining estimated cost of closure and post-closure care, percent of estimated capacity of the landfill used and the estimated date the Authority expects to close the landfill are based on the most recent report prepared by the Authority's Consulting Engineers. Based on that report the Authority reported an increase in the accrued closure post closure cost from December 31, 2023 to 2024, resulting in an expense for 2024 in the amount of \$5,264,605. The expense for the year ended December 31, 2023 was \$988,900.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 - CHANGE IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended December 31, 2024:

Type of Debt	Balance Jan. 1, 2024	Additions	Reductions	Balance Dec. 31, 2024	Amounts Due Within 1 Year	Non-Current Portion
Revenue Bonds Payable:						
Solid Waste System						
Revenue Bonds:						
Series 2015A	\$ 5,570,000	\$ -	\$ (1,780,000)	\$ 3,790,000	\$ 1,860,000	\$ 1,930,000
Series 2017	6,965,797	-	(508,908)	6,456,889	513,908	5,942,981
Series 2023	5,257,483	-	(78,999)	5,178,484	218,499	4,959,985
Lease/Other Revenue Bonds:						
Series 2015	2,415,000	-	(265,000)	2,150,000	275,000	1,875,000
Series 2014	13,555,000	-	(640,000)	12,915,000	665,000	12,250,000
Capital Bank Series 2017	4,375,000	-	(128,000)	4,247,000	136,000	4,111,000
Vld PD Series 2017	20,005,000	-	(715,000)	19,290,000	750,000	18,540,000
Capital Bank Series 2018	2,366,000	-	(192,000)	2,174,000	201,000	1,973,000
DOC Series 2018	62,365,000	-	(740,000)	61,625,000	780,000	60,845,000
Series 2019 County						
Guaranteed-Admin. Bldg.	4,620,000	-	(95,000)	4,525,000	100,000	4,425,000
Vineland Bd of Ed Series 2020	1,290,000	-	(640,000)	650,000	650,000	-
Bridgeton Fire Series 2021	7,350,000	-	(150,000)	7,200,000	160,000	7,040,000
Tech School Series 2022	1,855,000	-	(65,000)	1,790,000	65,000	1,725,000
State Police Barricks 2023	6,300,000	-	-	6,300,000	100,000	6,200,000
Bridgeton Fire Series 2024	-	2,730,000	-	2,730,000	70,000	2,660,000
Unamortized Debt Premium	5,864,070	203,153	(192,358)	5,874,865	-	5,874,865
Total Revenue Bonds Payable	150,153,350	2,933,153	(6,190,265)	146,896,238	6,544,407	140,351,831
Notes Payable:						
CEZC	1,000,000	-	-	1,000,000	-	1,000,000
Series 2017 Food Specialization						
Center	4,597,424	-	(95,449)	4,501,975	4,501,975	-
Equip. Loan-CNG Station	1,624,369	-	(303,642)	1,320,727	313,905	1,006,822
Equip. Loan- 2019	41,680	-	(41,680)	-	-	-
Equip Loan - 2020 Food Spec.	963,165	-	(235,617)	727,548	239,033	488,515
Equip Loan - 2020 Solid Waste	590,609	-	(292,974)	297,635	297,635	-
Equip Loan - 2020 SIM	1,758,998	-	(333,442)	1,425,556	342,378	1,083,178
Equip Loan - 2023 Inner Tank	1,275,000	-	(109,116)	1,165,884	106,127	1,059,757
Arts & Innovation Loans	4,784,375	-	-	4,784,375	-	4,784,375
Total Notes Payable	16,635,620	-	(1,411,920)	15,223,700	5,801,053	9,422,647
Accrued Closure and Postclosure						
Care Costs	38,086,066	5,264,605	-	43,350,671	-	-
Net Pension Liability	7,669,312	-	(505,313)	7,163,999	-	-
Accrued Liability-Pensions	353,839	4,866	-	358,705	-	-
Net OPEB Liability	4,280,288	-	(327,949)	3,952,339	-	-
Accrued Comp Absences	214,892	-	(5,265)	209,627	-	-
	\$ 217,393,367	\$ 8,202,624	\$ (8,440,712)	\$ 217,155,279	\$ 12,345,460	\$ 149,774,478

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 - CHANGE IN LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in long-term liabilities for the year ended December 31, 2023:

Type of Debt	Balance Jan. 1, 2023	Additions	Reductions	Balance Dec. 31, 2023	Amounts Due Within 1 Year	Non-Current Portion
Revenue Bonds Payable:						
Solid Waste System						
Revenue Bonds:						
Series 2015A	\$ 7,260,000	\$ -	\$ (1,690,000)	\$ 5,570,000	\$ 1,780,000	\$ 3,790,000
Series 2017	7,464,705	-	(498,908)	6,965,797	508,908	6,456,889
Series 2023	-	5,257,483	-	5,257,483	78,999	5,178,484
Lease/Other Revenue Bonds:						
Series 2015	2,675,000	-	(260,000)	2,415,000	265,000	2,150,000
Series 2014	14,165,000	-	(610,000)	13,555,000	640,000	12,915,000
Capital Bank Series 2017	4,496,000	-	(121,000)	4,375,000	128,000	4,247,000
Vld PD Series 2017	20,685,000	-	(680,000)	20,005,000	715,000	19,290,000
Capital Bank Series 2018	2,549,000	-	(183,000)	2,366,000	192,000	2,174,000
DOC Series 2018	63,070,000	-	(705,000)	62,365,000	740,000	61,625,000
Series 2019 County						
Guaranteed-Admin. Bldg.	4,710,000	-	(90,000)	4,620,000	95,000	4,525,000
Vineland Bd of Ed Series 2020	1,925,000	-	(635,000)	1,290,000	640,000	650,000
Bridgeton Fire Series 2021	7,495,000	-	(145,000)	7,350,000	150,000	7,200,000
Tech School Series 2022	1,920,000	-	(65,000)	1,855,000	65,000	1,790,000
State Police Barricks 2023	-	6,300,000	-	6,300,000	-	6,300,000
Unamortized Debt Premium	5,296,824	753,340	(186,094)	5,864,070	-	5,864,070
Total Revenue Bonds Payable	143,711,529	12,310,823	(5,869,002)	150,153,350	5,997,907	144,155,443
Notes Payable:						
CEZC	1,000,000	-	-	1,000,000	-	1,000,000
Series 2017 Food Specialization						
Center	4,689,699	-	(92,275)	4,597,424	95,449	4,501,975
Equip. Loan-CNG Station	1,918,084	-	(293,715)	1,624,369	303,642	1,320,727
Equip. Loan- 2019	82,502	-	(40,822)	41,680	41,680	-
Equip Loan - 2020 Food Spec.	1,195,413	-	(232,248)	963,165	235,617	727,548
Equip Loan - 2020 Solid Waste	878,995	-	(288,386)	590,609	292,973	297,636
Equip Loan - 2020 SIM	2,083,737	-	(324,739)	1,758,998	333,442	1,425,556
NJ Bank Short Term Const. Loan	5,083,014	-	(5,083,014)	-	-	-
Equip Loan - 2023 Inner Tank	-	1,275,000	-	1,275,000	109,116	1,165,884
Arts & Innovation Loans	-	4,784,375	-	4,784,375	111,693	4,672,682
Total Notes Payable	16,931,444	6,059,375	(6,355,199)	16,635,620	1,523,612	15,112,008
Accrued Closure and Postclosure						
Care Costs	37,097,166	988,900	-	38,086,066	-	-
Net Pension Liability	8,278,725	-	(609,413)	7,669,312	-	-
Accrued Liability-Pensions	345,889	7,950	-	353,839	-	-
Net OPEB Liability	4,001,886	278,402	-	4,280,288	-	-
Accrued Comp Absences	195,677	19,215	-	214,892	-	-
	\$ 210,562,316	\$ 19,664,665	\$ (12,833,614)	\$ 217,393,367	\$ 7,521,519	\$ 159,267,451

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 - CHANGE IN LONG-TERM LIABILITIES (CONCLUDED)

The annual debt service requirements to maturity, including principal and interest, for revenue bonds and loans payable as of December 31, 2024 are as follows:

	Solid Waste Revenue Bonds		Lease Revenue Bonds		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 2,592,406	\$ 269,262	\$ 3,952,000	\$ 5,241,909	\$ 5,801,054	\$ 303,307
2026	2,672,406	191,862	3,530,000	5,079,462	1,029,905	162,177
2027	747,406	153,762	3,685,000	4,925,294	1,059,278	132,804
2028	762,407	144,462	3,838,000	4,781,601	1,840,012	82,488
2029	767,406	134,512	4,007,000	4,732,656	128,556	34,816
2030-2034	4,007,032	510,610	19,662,000	20,854,105	580,521	72,966
2035-2039	2,591,027	224,948	24,235,000	16,027,376	4,784,375	-
2040-2044	1,285,282	62,272	19,792,000	11,380,972	-	-
2045-2049	-	-	15,210,000	8,080,100	-	-
2050 thereafter	-	-	27,685,000	6,540,650	-	-
	15,425,372	\$ 1,691,690	125,596,000	\$ 87,644,125	15,223,701	\$ 788,558
Add:						
Unamortized						
Debt Premium	277,693		5,597,173		-	
	\$ 15,703,065		\$ 131,193,173		\$ 15,223,701	

NOTE 13 - COMMITMENTS AND CONTINGENCIES

As of December 31, 2024 and 2023 the Authority has entered into various commitments for construction related professional services and construction contracts in its Solid Waste Operation with remaining amounts on those contracts in the amount of \$2,894,408 and \$1,155,623, respectively. Costs incurred on those contracts to December 31, 2024 and 2023 totaled \$2,608,256 and \$288,906, respectively.

As described in *Note 1*, the Authority has undertaken a significant redevelopment portfolio that includes acquisition, construction, and property management of buildings occupied by state, county, municipal, not-for-profit and commercial tenants. These projects are included in the Authority's Other Operations. As of December 31, 2024 and 2023 the Authority has entered into various commitments for construction related professional services and construction contracts in its Other Operations with remaining amounts on those contracts in the amount of \$20,362,273 and \$20,780,316, respectively. Costs incurred on those contracts during the years ended December 31, 2024 and 2023 totaled \$3,692,610 and \$19,622,105, respectively.

Litigation

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

NOTE 14 - PENSIONS

A substantial number of Authority employees participate in the Public Employees' Retirement System (*PERS*), a defined benefit pension plan, which is administered by the New Jersey Division of Pensions and Benefits (*the Division*). In addition, Authority employees may participate in the Defined Contribution Retirement Program (*DCRP*), which is a defined contribution pension plan. This Plan is administered by Empower (*formerly Prudential Financial*) for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - PENSIONS (CONTINUED)

The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by obtained from:

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

Plan Descriptions

- **Defined Contribution Retirement Program (DCRP)** – DCRP is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a “governmental plan” within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen’s Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.
- **Public Employees’ Retirement System** – PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS’ designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction’s pension fund. The PERS’ Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions

- **Defined Contribution Retirement Program** – Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.
- **Public Employees’ Retirement System** – The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - PENSIONS (CONTINUED)

Vesting and Benefit Provisions (Concluded)

The following represents the membership tiers for PERS:

Tier	
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Contributions

- **Defined Contribution Retirement Program** – The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Authority contributes 3% of the employees' base salary, for each pay period. The number of employees participating in the DCRP for the years ended December 31, 2024, 2023 and 2022, were 9, 8 and 12, respectively. For the years ended December 31, 2024, 2023 and 2022, the Authority's contributions for covered employees were \$4,302, \$2,610 and \$4,233, respectively.
- **Public Employees' Retirement System** – The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal years 2024, 2023 and 2022, the State's pension contribution was more than the actuarial determined amount.

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

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - PENSIONS (CONTINUED)

Contributions (Concluded)

Covered Authority employees are required to contribute a percentage of their salary toward their pension benefits. P.L. 2011, c78, effective June 28, 2011, increased the active member contribution rate from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.50% in State fiscal years 2024 and 2023. Employee contributions were \$305,881, \$309,526 and \$295,332 for the years ended December 31, 2024, 2023, and 2022, respectively. The payroll subject to pension for the Authority's employees covered by PERS was \$4,034,186, \$4,072,074 and \$3,865,336 for the years ended December 31, 2024, 2023 and 2022, respectively.

The Authority is required by statute to contribute to the employee's pension benefits based on an annual actuarial calculation. The valuation is a determination of the financial condition of the retirement system. The Authority's required annual contributions to the PERS were \$717,410, \$707,677 and \$691,778 for the years ended December 31, 2024, 2023, and 2022, respectively, and is included in the accompanying financial statements. The percentage of employer's contribution rate as a percentage of covered payroll for 2024, 2023 and 2022 was 17.78%, 17.38% and 17.90%, respectively.

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

At December 31, 2024 and 2023, the Authority reported a liability of \$7,163,999 and \$7,669,312, respectively for its proportionate share of the net pension liability. The net pension liability at December 31, 2024 and 2023 were measured as of June 30, 2024 and 2023, respectively. The total pension liability used to calculate the net pension liability on June 30, 2024 and 2023 was determined by an actuarial valuation as of July 1, 2023 and 2022, respectively. At June 30, 2024, the Authority's proportion was 0.0527228050%, which was a decrease of 0.0002261338% from its proportion measured as of June 30, 2023. At June 30, 2023, the Authority's proportion was 0.0529489388%, which was a decrease of 0.0019084487% from its proportion measured as of June 30, 2022.

At December 31, 2024 and 2023, respectively, the Authority reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Measurement Date June 30, 2024		Measurement Date June 30, 2023	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience	\$ 143,508	\$ 19,073	\$ 73,329	\$ 31,350
Changes of Assumptions	8,900	81,510	16,848	464,794
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	332,175	35,318	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Contributions	212,551	402,774	998,645	527,195
Authority Contributions Subsequent to the Measurement Date	358,705	-	353,839	-
	<u>\$ 723,664</u>	<u>\$ 835,532</u>	<u>\$ 1,477,979</u>	<u>\$ 1,023,339</u>

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - PENSIONS (CONTINUED)

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

Deferred outflows of resources related to pensions in the amount of \$358,709 and \$353,839 will be included as a reduction of the net pension liability in the year ending December 31, 2025 and 2024, respectively. This amount is based on an estimated April 1, 2025 and April 1, 2024 contractually required contribution. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending Dec 31,	
2025	\$ (510,549)
2026	395,048
2027	(227,280)
2028	(131,207)
2029	3,415
	<u>\$ (470,573)</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
June 30, 2023	5.08	-
June 30, 2024	5.08	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	5.04
June 30, 2024	-	5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2020	-	5.00
June 30, 2021	-	5.00
June 30, 2022	5.00	-
June 30, 2023	5.00	-
June 30, 2024	-	5.00

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - PENSIONS (CONTINUED)

Actuarial Assumptions

The total pension liability for the June 30, 2024 and 2023 measurement dates were determined by actuarial valuations as of July 1, 2023 and 2022, respectively, which were rolled forward to June 30, 2024 and 2023, respectively.

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Based on Years of Service	2.75%-6.55%	2.75%-6.55%
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	Pub-2010	Pub-2010
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

For the June 30, 2024 and June 30, 2023 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024 and 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. 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.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - PENSIONS (CONTINUED)

Actuarial Assumptions (Concluded)

Best estimates of arithmetic real rates of returns for each major asset class included in PERS's target asset allocation as of June 30, 2024 and 2023 are summarized in the table below:

	June 30, 2024		June 30, 2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	8.85%	12.75%	9.22%
International Small Cap Equity	1.25%	8.85%	1.25%	9.22%
Emerging Market Equities	5.50%	10.66%	5.50%	11.13%
Private Equity	13.00%	12.40%	13.00%	12.50%
Real Estate	8.00%	10.95%	8.00%	8.58%
Real Assets	3.00%	8.20%	3.00%	8.40%
High Yield	4.50%	6.74%	4.50%	6.97%
Private Credit	8.00%	8.90%	8.00%	9.20%
Investment Grade Credit	7.00%	5.37%	7.00%	5.19%
Cash Equivalents	2.00%	3.57%	2.00%	3.31%
U.S. Treasuries	4.00%	3.57%	4.00%	3.31%
Risk Mitigation Strategies	3.00%	7.10%	3.00%	6.21%
	100.00%		100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 7.00% as of June 30, 2024 and 2023, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Authority's proportionate share of the net pension liability at June 30, 2024 and 2023, respectively, calculated using the discount rate as disclosed above, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	June 30, 2024		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Authority's Proportionate Share of the Net Pension Liability	\$ 9,519,193	\$ 7,163,999	\$ 5,159,742

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - PENSIONS (CONCLUDED)

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

	<u>June 30, 2023</u>		
	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Authority's Proportionate Share of the Net Pension Liability	<u>\$ 9,983,812</u>	<u>\$ 7,669,312</u>	<u>\$ 5,699,366</u>

NOTE 15 - DEFERRED COMPENSATION PLAN

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

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

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

NOTE 16 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

- **Plan Description and Benefits Provided** - The self-insured plan will be administered through Southern Coastal Regional Employee Benefits Fund/PERMA. The plan provides fully paid health benefits to employees retiring with the minimum of fifteen (15) years of service with the Authority and has reached the threshold of sixty-two (62) years of age. The benefits would be available to the employee from the age of eligibility (62 years) until the employee reaches the age of sixty-five (65). At age 65, retirees can continue to participate in the plan but must contribute 100% of the premiums. The benefit provisions of the plan may be established or amended by the Board of the Authority. A separate financial report is not issued.
- **Contributions** - Contributions to pay for the health premiums of participating retirees would be paid by the Authority on a monthly basis. For the year ended December 31, 2024, there was 1 active retiree with \$17,370 in current premiums paid. For the year ended December 31, 2023, there was 1 active retiree with \$15,480 in premiums paid. Plan members are not required to contribute to the cost of premiums upon retirement.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 16 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

General Information about the OPEB Plan (Concluded)

- **Employees Covered by Benefit Terms** - At December 31, 2024 and 2023, the following employees were covered by the benefit terms:

	<u>2024</u>	<u>2023</u>
Retired Employees Receiving Benefits	1	1
Active Employees Eligible to Retire and Receive Benefits	0	0
Active Employees	<u>50</u>	<u>54</u>
Total Participants	<u>51</u>	<u>55</u>

Net OPEB Liability

The Authority's total OPEB liability of \$3,952,339 as of December 31, 2024 was measured as of December 31, 2024. The liabilities were determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024 measurement date. The Authority's total OPEB liability of \$4,280,288 as of December 31, 2023 was measured as of December 31, 2023. The liabilities were determined by an actuarial valuation as of December 31, 2023.

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

Deferred outflows of resources related to OPEB in the amount of \$809,916 and deferred inflows of resources related to OPEB in the amount of \$1,127,652 at December 31, 2024 will be recognized in OPEB expense as follows:

2025	\$ (41,539)
2026	(41,539)
2027	(41,539)
2028	(41,539)
2029	(41,539)
Thereafter	<u>(110,041)</u>
	<u>\$ (317,736)</u>

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 16 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions and Other Inputs

The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified as of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Mortality Rate Table	PUB 2010	PUB 2010
Turnover	Nj State Pension Ultimate Withdrawal Rates	Nj State Pension Ultimate Withdrawal Rates
Assumed Retirement Age	At first eligibility after completing 15 years of service and attainment of age 62. At age 65, retirees must pay full premium to continue coverage.	At first eligibility after completing 15 years of service and attainment of age 62. At age 65, retirees must pay full premium to continue coverage.
Full Attribution Period	Service to Assumed Retirement Age	Service to Assumed Retirement Age
Discount Rate	4.08%	3.26%
CPI Increase	2.50%	2.50%
Salary Increase	2.50%	2.50%
Medical Trend	Medical: 6.5% in 2024, reducing by 0.25% per year, leveling in 4.5% in 2032 Drug: 14.0% in 2024, 10.0% in 2025, 7.50% in 2026, reducing by 0.75% per annum leveling at 4.5% in 2030 Medicare Advantage: 4.5% Dental and Vision: 3.5%	Medical: 5.1% in 2023, reducing by 0.2% per year, leveling in 4.5% in 2026 Drug: 6.0% in 2023, reducing by 0.5% per year, leveling at 4.5% in 2026 Medicare Advantage: 4.5% per year
Prescription Trend	14.0% in 2024, 10.0% in 2025, 7.50% in 2026, reducing by 0.75% per annum	6.0% in 2023, reducing by 0.5% per year, 4.5% in 2026

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

Changes in the Total OPEB Liability

The following table shows the changes in the total OPEB liability for the years ended December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Balance at Beginning of Year	\$ 4,280,288	\$ 4,001,886
Changes for the Year:		
Service Cost	\$ 146,371	\$ 207,136
Interest Cost	144,026	156,287
Difference Between Expected/Actual Experience	(219,378)	-
Change in Assumptions	(381,598)	(69,541)
Benefit Payments	(17,370)	(15,480)
Net Changes	(327,949)	278,402
Balance at End of Year	<u>\$ 3,952,339</u>	<u>\$ 4,280,288</u>

In the fiscal year ended December 31, 2024 and 2023, there were no changes of benefit terms.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 16 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONCLUDED)

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

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

	December 31, 2024		
	1% Decrease 3.08%	Current Discount Rate 4.08%	1% Increase 5.08%
Total OPEB Liability	\$ 4,469,051	\$ 3,952,339	\$ 3,536,578

	December 31, 2023		
	1% Decrease 2.26%	Current Discount Rate 3.26%	1% Increase 4.26%
Total OPEB Liability	\$ 4,949,692	\$ 4,280,288	\$ 3,747,100

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	December 31, 2024		
	1% Decrease	Health Care Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 3,640,306	\$ 3,952,339	\$ 4,325,595

	December 31, 2023		
	1% Decrease	Health Care Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 3,798,625	\$ 4,280,288	\$ 4,835,830

OPEB Expense

For the year ended December 31, 2024 and 2023, the Authority recognized OPEB expense of \$248,858 and \$377,509, respectively.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 17 - NET POSITION

Restricted Net Position

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

	<u>2024</u>	<u>2023</u>
Solid Waste Operation:		
Operations	\$ 2,219,180	\$ 2,171,340
Debt Service	1,860,000	1,780,000
Equipment Renewal and Replacement	<u>1,169,185</u>	<u>2,303,775</u>
	5,248,365	6,255,115
Other Operations:		
Debt Service	<u>593,056</u>	<u>570,944</u>
Total Restricted	<u>\$ 5,841,421</u>	<u>\$ 6,826,059</u>

Designated Net Position

- **Solid Waste Operations** - The Solid Waste Operation's unrestricted net position-designated for subsequent year's expenditures at December 31, 2024 and 2023 consists of \$826,659 and \$793,947, respectively; which has been appropriated and included as anticipated revenue in the Authority's 2025 and 2024 budgets respectively.
- **Other Operations** - The Authority has, by resolution, designated a portion of its Other Operations unrestricted net position for Replacement Reserve for Economic Development Operations. The replacement reserve fund was established to receive transfers to anticipate necessary future major repairs and capital expenditures. The amount of net position designated for replacement reserve as of December 31, 2024 and 2023 is \$546,672 and \$496,388, respectively.

Undesignated Net Position

- **Solid Waste Operations** - The balance of unrestricted and undesignated net position surplus/(deficit) as of December 31, 2024 and 2023 of \$(25,972,855) and \$(18,659,668), respectively, is comprised of the following:

	<u>2024</u>	<u>2023</u>
Amount Related to Pensions (GASB 68 and 71)	\$ (7,624,314)	\$ (7,574,584)
Amount Related to OPEB (GASB 75)	(3,240,295)	(3,086,199)
Undesignated before GASB 68, 71 Pension and GASB 75 OPEB Related Items	<u>(15,108,246)</u>	<u>(7,998,885)</u>
	<u>\$ (25,972,855)</u>	<u>\$ (18,659,668)</u>

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 17 - NET POSITION (CONCLUDED)

Undesignated Net Position (Concluded)

- **Other Operations** - The balance of unrestricted and undesignated net position (deficit) as of December 31, 2024 and 2023 of \$106,264 and \$1,602,410, respectively, is comprised of the following:

	<u>2024</u>	<u>2023</u>
Amount Related to Pensions (GASB 68 and 71)	\$ (727,678)	\$ (701,614)
Amount Related to OPEB (GASB 75)	(1,029,778)	(952,388)
Undesignated before GASB 68, 71 Pension and GASB 75 OPEB Related Items	<u>1,863,720</u>	<u>3,256,412</u>
	<u><u>\$ 106,264</u></u>	<u><u>\$ 1,602,410</u></u>

NOTE 18 - INTEREST EXPENSE

Interest expense consisted of the following:

	<u>2024</u>	<u>2023</u>
Interest on Bonds and Notes	\$ 5,688,354	\$ 5,759,307
Add: Amortization of Deferred Loss on Defeasance of Debt	28,691	33,382
Less: Amortization of Premium on Bonds	<u>(194,723)</u>	<u>(186,094)</u>
Net Interest Expense	<u><u>\$ 5,522,322</u></u>	<u><u>\$ 5,606,595</u></u>

NOTE 19 - RISK MANAGEMENT

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

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

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

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

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 19 - RISK MANAGEMENT (CONCLUDED)

The Commission provides its own financial report for the year ended December 31, 2024, which can be obtained from:

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

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

NOTE 20 - CUSTOMER CONCENTRATIONS

In 2024, approximately sixty percent (60%) of the solid waste received by the Authority at its Solid Waste Complex was delivered by five (5) haulers. In 2023, the top five (5) haulers delivered approximately fifty-seven percent (57%).

NOTE 21 - RELATED PARTY TRANSACTIONS

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

NOTE 22 - SPECIAL ITEMS

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

NOTE 23 - PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2024, the Authority determined that capitalized lease receivables and deferred inflows related to leases were inadvertently overstated due to errors in calculating the present value of future lease payments in accordance with *GASB 87*. As a result, the Lease Receivables and Deferred inflows related to leases were reduced by \$78,644,191 and 2023 Rental Income was increased by \$47,665. Ending Net Position at December 31, 2023, as previously reported was \$29,911,599, compared to the restated amount in *Exhibit A* of \$29,959,264.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 24 - CONDENSED COMPONENT UNIT INFORMATION

Condensed component unit information for the Authority Redevelopment Corporation, the Authority's blended component unit, for the year ended December 31, 2024, is as follows:

Condensed Statement of Net Position

	2024	2023
Assets		
Cash	\$ 58,145	\$ 37,606
Lease Receivable	3,285,816	3,422,791
Capital Assets, Net	5,974,347	6,149,289
Total Assets	9,318,309	9,609,686
Liabilities		
Other Payable	310,985	383,858
Loans Payable	4,784,375	4,784,375
Total Liabilities	5,095,360	5,168,233
Deferred Inflows of Resources		
Deferred Amount Relating to Lease	3,285,816	3,422,791
Net Position		
Net Investment in Capital Assets	878,987	981,056
Unrestricted	58,145	37,606
Total Net Position	\$ 937,132	\$ 1,018,662

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 24 - CONDENSED COMPONENT UNIT INFORMATION (CONCLUDED)

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

	2024	2023
Operating Revenues		
Lease Income	\$ 136,962	\$ 136,975
Interest Income on Leases	1,468	1,469
Total Operating Revenues	138,430	138,444
Operating Expenses		
Cost of Providing Services	30,000	30,000
Administrative and General	15,022	54,000
Depreciation	174,943	174,943
Total Operating Expenses	219,965	258,943
Operating Income (Loss)	(81,535)	(120,499)
Non-Operating Revenues (Expenses)		
Interest Income	4	5
Interest Expense	-	(18,282)
Total Non-Operating Revenues (Expenses)	4	(18,277)
Income / (Loss) Before Special Items	(81,531)	(138,776)
Special Items	-	1,965,625
Change in Net Position	(81,531)	1,826,849
Net Position - Beginning	1,018,663	(808,186)
Net Position - Ending	\$ 937,132	\$ 1,018,663

Condensed Statement of Cash Flows

	2024	2023
Net Cash Provided by (Used) in		
Operating Activities	\$ (117,895)	\$ (87,882)
Non-capital Financing Activities	138,430	138,444
Capital and Related Financing Activities	-	(74,335)
Investing Activities	4	5
Net Decrease in Cash	20,539	(23,768)
Cash - Beginning	\$ 37,606	61,374
Cash - Ending	\$ 58,145	\$ 37,606

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 25 - SUBSEQUENT EVENTS

In November of 2024, the Authority adopted a resolution authorizing the issuance and sale of up to \$4,000,000 aggregate principal amount of the Authority's County Guaranteed Lease Revenue Bonds (*Upper Deerfield Board of Education Project*), Series 2025. The Series 2025 Bonds are to be issued to provide funds which will be used to pay for the undertaking and completing of capital improvements to the Seabrooke School to accommodate twelve new pre-Kindergarten classrooms, funding capitalized interest and any reserve funds, as may be necessary, and to finance the costs of issuance with respect to the proposed financing. The bonds for this project were issued in February 2025, at an aggregate principal amount of \$3,815,000.

In November of 2024, the Authority adopted a resolution authorizing the issuance and sale of up to \$4,825,000 aggregate principal amount of the Authority's Subordinated Solid Waste System Revenue Bonds (*Administrative Building and Drop-Off Area Projects*), Series 2025. The Series 2025 Bonds are to be issued to provide funds which will be used to pay for the renovation and expansion of an Administrative Building and construction of a permanent Drop Off Area, funding capitalized interest and any reserve funds, as may be necessary, and to finance the costs of issuance with respect to the proposed financing. The bonds for this project were issued in April 2025, at an aggregate principal amount of \$4,825,000.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
Schedules Related to Accounting and Reporting for Pensions (GASB 68)
Schedules of Proportionate Share, Employer Contributions and Notes
 State of New Jersey Public Employees' Retirement System (PERS)

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.0527228050%	0.0529489388%	0.0548573875%	0.0572258317%	0.0548037149%	0.0410251640%	0.0320508100%	0.0307909211%	0.0302375415%	0.0286952278%
Authority's Proportionate Share of the Net Pension Liability	\$ 7,163,999	\$ 7,669,312	\$ 8,278,735	\$ 6,779,258	\$ 8,937,053	\$ 7,392,112	\$ 6,310,645	\$ 7,167,634	\$ 8,955,493	\$ 6,441,504
Authority's Covered-Employee Payroll (Plan Measurement Year)	\$ 4,104,380	\$ 3,933,672	\$ 4,059,112	\$ 4,126,964	\$ 3,878,288	\$ 2,613,088	\$ 2,279,784	\$ 2,123,576	\$ 2,106,244	\$ 1,928,132
Authority's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	174.55%	194.97%	203.95%	164.27%	230.44%	282.89%	276.81%	337.53%	425.19%	334.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	79.18%	56.27%	53.60%	48.10%	40.14%	47.93%

Schedule of Employee Contributions

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 717,410	\$ 707,677	\$ 691,778	\$ 670,181	\$ 599,525	\$ 399,054	\$ 318,802	\$ 285,245	\$ 268,626	\$ 246,702
Contributions in Relation to the Contractually Required Obligation	\$ (717,410)	\$ (707,677)	\$ (691,778)	\$ (670,181)	\$ (599,525)	\$ (399,054)	\$ (318,802)	\$ (285,245)	\$ (268,626)	\$ (246,702)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered-Employee Payroll	\$ 4,034,186	\$ 4,072,074	\$ 3,865,336	\$ 3,944,189	\$ 3,997,062	\$ 3,933,635	\$ 2,830,522	\$ 2,240,579	\$ 2,109,414	\$ 2,071,361
Contributions as a Percentage of Authority's Covered-Employee Payroll	17.78%	17.38%	17.90%	16.99%	15.00%	10.14%	11.26%	12.73%	12.73%	11.91%

Notes

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

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

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
7.00%	7.00%	7.00%	7.00%	7.00%	6.28%	5.66%	5.00%	3.98%	4.90%

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

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

*Schedules Related to Accounting and Reporting for
Post Employment Benefits Other than Pensions (GASB 75)*

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 146,371	\$ 207,136	\$ 207,136	\$ 426,648	\$ 426,648	\$ 243,295	\$ 243,295
Interest on Total OPEB Liability - Over Measurement Period	144,026	156,287	89,284	91,686	90,340	85,868	72,904
Benefit Payments	(17,370)	(15,840)	(14,826)	(5,857)	-	-	-
Recognition of Experience Changes	(219,378)	-	(286,549)	-	-	-	-
Recognition of Assumption Changes	(381,598)	(69,541)	(127,646)	(279,053)	513,654	690,213	-
Net Change on Total OPEB Liability	(327,949)	278,042	(132,601)	233,424	1,030,642	1,019,376	316,199
Total OPEB Liability - Beginning	4,279,928	4,001,886	4,134,487	3,901,063	2,870,421	1,851,045	1,534,846
Total OPEB Liability - Ending	\$3,951,979	\$4,279,928	\$4,001,886	\$4,134,487	\$3,901,063	\$2,870,421	\$1,851,045
Covered-Employee Payroll	\$ 4,034,186	\$ 4,072,074	\$ 3,865,336	\$ 3,994,189	\$ 3,997,062	\$ 3,933,635	\$ 2,830,522
Total OPEB Liability as a Percentage of Covered-Employee Payroll	97.96%	105.10%	103.53%	103.51%	97.60%	72.97%	65.40%

Notes

Changes in Benefit Terms - There were no significant changes in benefits for the December 31, 2024 actuarial valuation.

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

2024	2023	2022	2021	2020	2019	2018
4.08%	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%

Schedule Presentation - These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Revenues, Expenses and Changes in Net Position

Net Investment in Capital Assets, Restricted and Unrestricted

For the Year Ended December 31, 2024

	SOLID WASTE OPERATIONS							OTHER OPERATIONS			TOTAL				
	UNRESTRICTED		RESTRICTED					UNRESTRICTED		RESTRICTED	2024	2023			
	INVESTMENT IN CAPITAL ASSETS	UNDESIGNATED	DESIGNATED	OPERATING RESERVE	RENEWAL AND REPLACEMENT	DEBT SERVICE	CLOSURE AND POST CLOSURE	INVESTMENT IN CAPITAL ASSETS	UNDESIGNATED	DESIGNATED			DEBT SERVICE		
OPERATING REVENUE:															
Landfill Tipping Fees	\$	-	17,291,905	\$	-	\$	-	\$	-	\$	-	\$	17,291,905	\$	17,212,165
Lease/Rental Income		-	55,278		-		-		-		5,861,073		-		5,248,895
Interest Income on Leases		-	-		-		-		-		5,392,166		-		5,540,049
Project Management Fee		-	-		-		-		-		580,538		-		982,771
Renewable Energy Revenue		-	-		-		-		-		-		-		309,566
Recycle Revenue		-	1,324,695		-		-		-		-		-		945,384
Operating Grants		-	377,694		-		-		-		50,731		-		461,695
Project Income - Fleet Maintenance		-	-		-		-		-		134,271		-		244,877
Administrative Fees/Bond Transaction Fees/Real Estate Transactions		-	-		-		-		-		3,413		-		7,875
Property Management Fee		-	-		-		-		-		1,108,524		-		1,065,129
Other		-	64,075		-		-		-		467,261		-		839,173
		-	19,113,646		-		-		-		13,597,976		-		32,857,579
OPERATING EXPENSES:															
Cost of Providing Services		-	10,380,955		-		-		-		4,390,926		-		15,088,111
Administrative and General		-	3,498,800		-		-		-		911,311		-		4,317,261
Closure and Postclosure Costs		-	5,264,605		-		-		-		-		-		988,900
Depreciation		-	5,537,399		-		-		-		4,915,143		-		9,858,980
		-	24,681,759		-		-		-		10,217,380		-		30,253,252
OPERATING INCOME (LOSS)		-	(5,568,113)		-		-		-		3,380,596		-		2,604,327
NON-OPERATING REVENUE (EXPENSES):															
Interest Income		-	12,359		-		87,488		343,928		429,801		-		3,596,283
Interest Expense		-	(336,794)		-		-		-		-		-		(5,606,595)
Net Increase/(Decrease) in Fair Value of Investments		-	(162,992)		-		-		-		128,898		-		756,133
Appropriated to County		-	(793,947)		-		-		-		-		-		(774,866)
Debt Issuance Costs Incurred		-	(4,505)		-		-		-		(147,926)		-		(233,543)
Gain/(Loss) on Disposal of Assets		-	179,825		-		-		-		-		-		(1,148,991)
Other Non-Operating Income		-	26,743		-		-		-		486,488		-		826,672
		-	(1,079,310)		-		87,488		343,928		429,801		-		(2,584,907)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS, SPECIAL ITEMS AND TRANSFERS		-	(6,647,423)		-		87,488		343,928		429,801		-		19,420
CONTRIBUTIONS AND TRANSFERS															
Capital Contributions		-	-		-		-		-		(39,810)		-		(39,810)
Special Items		-	-		-		-		-		-		-		-
Other Transfers		2,501,020	(665,765)		32,712		47,840		(1,222,078)		(263,928)		(429,801)		2,623,599

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Net Position

December 31, 2024 and 2023

	2024			2023		
	Solid Waste Operations	Other	Total	Solid Waste Operations	Other	Total
ASSETS						
CURRENT ASSETS - UNRESTRICTED:						
Cash	\$ 812,407	\$ 289,618	\$ 1,102,025	\$ 694,169	\$ 415,220	\$ 1,109,389
Investments	-	-	-	-	-	-
Accounts Receivable	905,603	345,087	1,250,691	1,173,550	363,269	1,536,819
Loans Receivable	52,612	23,153	75,765	52,481	261,693	314,174
Interest Receivable - Loans	132	32,739	32,871	197	34,239	34,436
Grant Funds Receivable	151,110	-	151,110	161,030	33,417	194,447
Other Receivables	5,719	625,581	631,299	9,519	911,027	920,546
Lease Receivables	-	5,074,655	5,074,655	-	5,336,119	5,336,119
Due From Restricted Assets	1,180,712	-	1,180,712	2,109,196	-	2,109,196
Inventories	323,731	162,207	485,938	265,936	174,022	439,958
Prepaid Expenses	12,182	83,542	95,723	29,053	83,541	112,594
Total Current Assets - Unrestricted	3,444,207	6,636,582	10,080,789	4,495,131	7,612,547	12,107,678
CURRENT ASSETS - RESTRICTED:						
Accounts Required by the Authority's Bond Resolutions/Loan Agreements:						
Cash	8,848,350	70,269,794	79,118,144	9,972,708	60,505,721	70,478,429
Investments	2,422,881	-	2,422,881	2,598,639	5,363,052	7,961,691
Other Restricted Accounts:						
Cash	255,405	184,957	440,362	437,341	389,088	826,429
Investments	3,389,640	-	3,389,640	2,131,299	-	2,131,299
Interest Receivable	105,875	3,743	109,618	132,431	-	132,431
Interfunds	5,602,931	(5,602,931)	-	4,130,947	(4,130,947)	-
Total Current Assets - Restricted	20,625,081	64,855,563	85,480,644	19,403,365	62,126,914	81,530,279
NONCURRENT ASSETS:						
Investments - Accounts Required by Bond Resolutions	-	-	-	2,320,216	765,313	3,085,529
Investments - Other Restricted Accounts	14,738,134	-	14,738,134	16,583,793	-	16,583,793
Investments in Redevelopment Sites	-	-	-	-	2,000,000	2,000,000
Lease Receivables - Noncurrent	-	121,544,029	121,544,029	-	128,720,093	128,720,093
Loans Receivable - Noncurrent	52,743	12,118,572	12,171,315	105,355	12,030,032	12,135,387
Prepaid Bond Insurance	4,505	288,786	293,291	9,010	280,078	289,088
Capital Assets, Net	52,497,219	93,564,831	146,062,049	52,613,986	92,377,427	144,991,413
Total Noncurrent Assets	67,292,600	227,516,218	294,808,817	71,632,360	236,172,943	307,805,303
TOTAL ASSETS	91,361,888	299,008,363	390,370,251	95,530,856	305,912,404	401,443,260
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred Loss on Defeasance of Debt	-	-	-	28,691	-	28,691
Deferred Amount Relating to Pensions	1,043,795	(320,131)	723,664	1,538,719	(60,740)	1,477,979
Deferred Amount Relating to OPEB	531,386	278,530	809,916	585,848	294,729	880,577
Total Deferred Outflows of Resources	1,575,181	(41,601)	1,533,580	2,153,258	233,989	2,387,247
Total Assets and Deferred Outflows of Resources	\$ 92,937,070	\$ 298,966,761	\$ 391,903,831	\$ 97,684,114	\$ 306,146,393	\$ 403,830,507

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Net Position

December 31, 2024 and 2023

	2024			2023		
	Solid Waste Operations	Other	Total	Solid Waste Operations	Other	Total
CURRENT LIABILITIES - UNRESTRICTED:						
Accounts Payable - Operations	\$ 563,429	\$ 272,304	\$ 835,733	\$ 951,400	\$ 468,919	\$ 1,420,319
Other Payables	-	338,144	338,144	-	1,063,870	1,063,870
Accrued Liabilities	113,325	59,445	172,770	94,090	45,809	139,899
Accrued Liabilities - Pension	550,414	166,996	717,410	544,027	163,650	707,677
Customer Deposits	192,800	-	192,800	170,100	-	170,100
Security Deposits	-	300,000	300,000	-	33,373	33,373
Landfill Taxes Payable	176,777	-	176,777	167,843	-	167,843
Host Community Benefit Payable	49,716	-	49,716	46,095	-	46,095
Unearned Revenue	-	591,980	591,980	-	228,601	228,601
Unearned Grant Revenue	20,226	196,157	216,383	-	176,060	176,060
Total Current Liabilities Payable From Unrestricted Assets	1,666,687	1,925,026	3,591,713	1,973,555	2,180,282	4,153,837
CURRENT LIABILITIES - RESTRICTED:						
Loans Payable	403,763	5,397,291	5,801,054	402,090	1,121,522	1,523,612
Contracts Payable - Construction	230,175	1,640,762	1,870,936	18,174	48,331	66,505
Contracts Payable - Retainage	6,024	32,005	38,029	-	-	-
Arbitrage Rebate - Liability	-	-	-	-	254,180	254,180
Revenue Bonds Payable	2,592,406	3,952,000	6,544,406	2,367,907	3,630,000	5,997,907
Accrued Interest Payable - Revenue Bonds and Loans	149,966	1,031,996	1,181,961	149,836	996,054	1,145,890
Due to Unrestricted Assets	1,180,712	-	1,180,712	2,109,196	-	2,109,196
Total Current Liabilities Payable From Restricted Assets	4,563,045	12,054,054	16,617,099	5,047,203	6,050,087	11,097,290
LONG-TERM LIABILITIES:						
Revenue Bonds Payable	13,110,659	127,241,173	140,351,832	15,782,120	128,373,323	144,155,443
Loan Payable	1,059,757	8,362,890	9,422,647	1,463,520	13,648,488	15,112,008
Accrued Closure and Postclosure Care Costs	43,350,671	-	43,350,671	38,086,066	-	38,086,066
Accrued Liabilities - Pension	275,207	83,498	358,705	272,014	81,825	353,839
Net Pension Liability	6,789,741	374,258	7,163,999	7,121,289	548,023	7,669,312
Net OPEB Liability	3,031,828	920,511	3,952,339	3,247,003	1,033,285	4,280,288
Accrued Compensated Absences	145,557	64,069	209,626	152,807	62,085	214,892
Total Long-Term Liabilities	67,763,420	137,046,399	204,809,819	66,124,819	143,747,029	209,871,848
Total Liabilities	73,993,152	151,025,479	225,018,631	73,145,577	151,977,398	225,122,975
DEFERRED INFLOWS OF RESOURCES:						
Deferred Amount Relating to Pensions	1,052,737	(217,205)	835,532	1,175,963	(152,623)	1,023,340
Deferred Amount relating to OPEB	739,852	387,800	1,127,652	425,044	213,832	638,876
Deferred Amount Relating to Arts and Innovation Project	-	3,784,375	3,784,375	-	3,784,375	3,784,375
Deferred Amount Relating to Leases	-	135,764,735	135,764,735	-	143,301,677	143,301,677
Total Deferred Inflows of Resources	1,792,589	139,719,704	141,512,294	1,601,007	147,147,261	148,748,268
NET POSITION:						
Net Investment in Capital Assets	37,049,156	6,975,590	44,024,746	34,548,136	4,351,991	38,900,127
Restricted:						
Operations	2,219,180	-	2,219,180	2,171,340	-	2,171,340
Debt Service	1,860,000	593,055	2,453,055	1,780,000	570,944	2,350,944
Equipment Renewal and Replacement	1,169,185	-	1,169,185	2,303,775	-	2,303,775
Unrestricted (Deficit)	(25,146,197)	652,936	(24,493,260)	(17,865,721)	2,098,799	(15,766,922)
Total Net Position	17,151,324	8,221,581	25,372,905	22,937,530	7,021,734	29,959,264
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 92,937,070	\$ 298,966,761	\$ 391,903,831	\$ 97,684,114	\$ 306,146,393	\$ 403,830,507

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY*Schedule of Revenues, Expenses and Changes in Net Position*

For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Solid Waste Operations	Other	Total	Solid Waste Operations	Other	Total
OPERATING REVENUE:						
Landfill Tipping Fees	\$ 17,291,905	\$ -	\$ 17,291,905	\$ 17,212,165	\$ -	\$ 17,212,165
Lease/Rental Income	55,278	5,861,073	5,916,351	-	5,248,895	5,248,895
Interest Income on Leases	-	5,392,166	5,392,166	-	5,540,049	5,540,049
Project Management Fee	-	580,538	580,538	-	982,771	982,771
Renewable Energy Revenue	-	-	-	309,566	-	309,566
Recycle Revenue	1,324,695	-	1,324,695	945,384	-	945,384
Operating Grants	377,694	50,731	428,425	395,740	65,955	461,695
Project Income - Fleet Maintenance	-	134,271	134,271	-	244,877	244,877
Administrative Fees/Bond Transaction Fee/ Real Estate Trans.	-	3,413	3,413	-	7,875	7,875
Property Management Fee	-	1,108,524	1,108,524	-	1,065,129	1,065,129
Other Operating Income	64,075	467,261	531,336	72,850	766,323	839,173
Total Operating Revenue	19,113,646	13,597,976	32,711,623	18,935,705	13,921,874	32,857,579
OPERATING EXPENSES:						
Cost of Providing Services	10,380,955	4,390,926	14,771,881	10,564,296	4,523,815	15,088,111
Administrative and General	3,498,800	911,311	4,410,111	3,303,298	1,013,963	4,317,261
Closure and Postclosure Costs	5,264,605	-	5,264,605	988,900	-	988,900
Depreciation	5,537,399	4,915,143	10,452,542	5,100,443	4,758,537	9,858,980
Total Operating Expenses	24,681,759	10,217,380	34,899,139	19,956,937	10,296,315	30,253,252
OPERATING INCOME (LOSS)	(5,568,113)	3,380,596	(2,187,516)	(1,021,232)	3,625,559	2,604,327
NON-OPERATING REVENUE (EXPENSES):						
Interest Income	873,576	2,577,130	3,450,706	929,887	2,666,396	3,596,283
Interest Expense	(336,794)	(5,185,528)	(5,522,322)	(283,047)	(5,323,548)	(5,606,595)
Net Increase (Decrease) in Fair Value of Investments	(162,992)	128,898	(34,094)	740,330	15,803	756,133
Appropriated to County	(793,947)	-	(793,947)	(774,866)	-	(774,866)
Debt Issue Costs Incurred	(4,505)	(147,926)	(152,431)	(68,704)	(164,839)	(233,543)
Gain/Loss on Disposal of Assets	179,825	-	179,825	775	(1,149,766)	(1,148,991)
Other Non-Operating Income	26,743	486,488	513,231	71,060	755,612	826,672
Total Operating Expenses	(218,093)	(2,140,938)	(2,359,032)	615,435	(3,200,342)	(2,584,907)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEM	(5,786,206)	1,239,658	(4,546,548)	(405,797)	425,217	19,420
CAPITAL CONTRIBUTIONS	-	(39,810)	(39,810)	-	-	-
SPECIAL ITEM	-	-	-	-	1,157,438	1,157,438
CHANGE IN NET POSITION	(5,786,206)	1,199,848	(4,586,358)	(405,797)	1,582,655	1,176,858
NET POSITION-BEGINNING	22,937,530	7,021,734	29,959,264	23,343,334	5,439,084	28,782,406
TOTAL NET POSITION-ENDING	\$ 17,151,324	\$ 8,221,582	\$ 25,372,906	\$ 22,937,537	\$ 7,021,739	\$ 29,959,264

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY*Schedule of Revenues and Costs Funded by Revenues**Compared to Budget – Budgetary Basis – Solid Waste Operations**For the Year Ended December 31, 2024*

	2024 BUDGET	2024 ACTUAL	2023 ACTUAL
REVENUE:			
Closure and Postclosure Escrow Funds Utilized	\$ -	\$ -	\$ 16,865
User Charges and Fees	15,921,523	17,291,905	17,212,165
Recycle Revenue	1,028,160	1,324,695	945,384
Methane Gas Project Revenue	266,360	-	309,566
Operating Grants	375,002	377,694	395,740
Interest Income	50,000	99,847	107,131
Rental Income	-	55,278	27,658
Miscellaneous Revenues	10,000	90,818	116,252
Total Revenue	17,651,045	19,240,237	19,130,761
EXPENSES:			
Costs of Providing Services:			
Salaries and Wages - Operations	2,329,195	2,264,646	2,219,554
Fringe Benefits	1,310,632	1,485,361	1,294,968
Consultant Services - Operations	544,095	465,450	532,073
Fuel	523,210	347,376	386,516
Equipment Maintenance Agreements	192,078	166,273	211,433
Tires	84,681	94,566	81,068
Replacement Parts	245,000	186,945	302,684
Repairs and Maintenance	197,260	90,319	224,433
Truck Wash Parts and Supplies	23,138	33,160	8,732
Lawn Maintenance	53,500	55,128	100,795
Utilities	341,830	326,813	291,007
Recycle Rebate	20,000	9,297	16,147
Materials and Supplies	31,929	45,149	54,798
Road and Slope Maintenance	50,000	26,300	51,391
Gas Well Maintenance	75,000	56,753	125,236
Uniforms	62,668	51,688	48,048
Landfill Parts and Supplies	63,525	36,085	83,734
Security Services	14,200	2,980	18,691
Equipment Rental	238,800	231,981	218,921
Leachate Treatment	92,745	390,744	167,055
Leachate Hauling	938,172	1,783,669	1,474,372
Treatment Facility - Replacement Parts	139,827	39,195	177,703
Treatment Facility - Repairs and Maintenance	154,540	151,737	366,694
Groundwater Sampling and Analysis	50,000	50,563	51,122
Telephone	25,788	24,902	24,694
Disposal Fees	1,519,625	1,726,334	1,514,008
REA Grant	111,500	152,080	124,162
Promotional Materials	22,000	-	26,665
Public Awareness and Advertising	40,000	45,924	37,572
Other Operating Costs	68,888	70,198	54,542
	9,563,826	10,411,614	10,288,818

*See Independent Auditor's Report and Accompanying Notes***MARTINI & MARTINI, CPA, PA**

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY*Schedule of Revenues and Costs Funded by Revenues**Compared to Budget – Budgetary Basis – Solid Waste Operations**For the Year Ended December 31, 2024*

	2024 BUDGET	2024 ACTUAL	2023 ACTUAL
Administrative and General Expenses:			
Salaries and Wages	1,092,148	1,064,380	1,048,230
Fringe Benefits	577,799	415,859	511,443
Administrative Payroll Expense	11,327	10,556	10,470
Building Rent	303,569	303,569	301,387
Security	717	-	479
Office Supplies and Expense	31,280	19,352	19,118
Professional Services	330,600	337,136	275,264
Professional Services - Closure Related	16,800	15,370	16,865
Insurance	484,653	522,921	470,536
Travel, Conference, and Meetings	8,725	7,285	5,380
Dues and Subscriptions	8,096	8,257	5,092
Utilities	34,600	32,241	30,897
Telephone	21,125	19,689	18,748
Licenses, Permits, Penalties, and Assessments	170,645	258,144	153,064
Other Administrative Expenses	143,359	239,776	162,950
Training Programs	24,570	2,709	9,180
Repairs and Maintenance	33,600	27,185	20,586
Public Awareness and Advertising	60,375	9,062	18,369
REA Grant	40,811	-	49,009
Public Relations	-	-	-
Automotive Supplies and Expenses	7,775	9,749	10,847
Litter Abatement Program	49,000	43,941	58,049
	3,451,574	3,347,179	3,195,963
Interest Expense	241,710	387,157	337,366
OTHER COSTS FUNDED BY REVENUES:			
Principal Maturities	2,863,883	2,769,997	2,477,293
Capital Outlays	300,000	1,545,952	475,901
Reserve for Equipment Renewal	868,000	881,682	861,019
Reserve for Operating Maintenance	47,841	47,480	88,640
Debt Service Coverage Requirements	310,559	-	-
Appropriated to County	793,947	793,947	774,866
	5,184,230	6,039,058	4,677,719
TOTAL COSTS FUNDED BY REVENUES	18,441,340	20,185,009	18,499,866

*See Independent Auditor's Report and Accompanying Notes***MARTINI & MARTINI, CPA, PA**

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY*Schedule of Revenues and Costs Funded by Revenues**Compared to Budget – Budgetary Basis – Solid Waste Operations**For the Year Ended December 31, 2024*

	2024 BUDGET	2024 ACTUAL	2023 ACTUAL
REVENUES OVER (UNDER) COSTS FUNDED BY REVENUES	\$ (790,295)	(944,773)	630,895
Reconciliation of Budgetary Basis to Change in Net Position:			
Adjustments to Budgetary Basis:			
Interest Income not used for Operations		773,729	822,756
Capital Outlays		1,545,952	475,901
Principal Maturities		2,769,997	2,477,293
Transfers to Renewal and Replacement Reserves		881,682	861,019
Increase in Reserve for Operating and Maintenance		47,480	88,640
Increase (Decrease) in Fair Value of Investments		(162,992)	740,330
Closure and Postclosure Escrow Funds Utilized		-	(16,865)
Amortization Charged to Interest Expense		50,364	54,319
Depreciation		(5,537,399)	(5,100,443)
Gain on Disposal of Assets		179,825	775
Closure and Post Closure Costs Incurred		(5,264,605)	(988,900)
Debt Issuance Costs Incurred		(4,505)	(68,704)
Capital Contributions		-	-
OPEB - Difference of GAAP VS Budgetary Basis		(154,096)	(246,372)
Pension Expense - Difference of GAAP VS Budgetary Basis		33,135	(136,441)
CHANGE IN NET POSITION PER SCHEDULE 3	\$ (5,786,206)	\$ (405,797)	

*See Independent Auditor's Report and Accompanying Notes***MARTINI & MARTINI, CPA, PA**

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Revenues and Costs Funded by Revenues
Compared to Budget – Budgetary Basis – Other Operations
For the Year Ended December 31, 2024

	2024 BUDGET	2024 ACTUAL	Restated 2023 ACTUAL
REVENUE:			
Lease/Rental Income	\$ 12,054,399	\$ 11,114,795	\$ 10,622,778
Project Management Fee	1,731,136	580,538	982,771
Admin. Fees/ Bond Transaction Fee/Real Estate Transactions	-	3,413	7,875
Fuel Income (Gas and CNG)	521,640	317,338	616,676
Fleet Maintenance	226,365	134,271	244,877
Property Management Fee	1,093,941	1,108,524	1,065,129
Other Operating Income	45,000	467,261	429,161
Miscellaneous Income	175,356	169,150	503,820
Operating Grants	10,000	50,731	65,955
Interest Income	-	2,577,126	2,666,391
Total Revenue	15,857,837	16,523,146	17,205,433
EXPENSES:			
Costs of Providing Services:			
Salaries	1,580,597	1,609,893	1,502,401
Employee Benefits	909,492	938,759	900,299
Building Services	1,503,355	1,212,299	1,193,037
Repairs and Maintenance	160,000	147,614	246,200
Garage Lease	4,116	4,116	4,116
Grant Expenses	10,000	44,331	63,635
Fuel and CNG	344,406	219,216	350,486
Other Operating Expenses	113,502	150,832	66,403
	4,625,468	4,327,060	4,326,577
Administrative and General Expenses:			
Salaries	183,653	140,981	155,923
Employee Benefits	85,098	75,191	64,171
Professional Services	243,500	235,304	330,460
Property Management	187,004	185,504	185,504
Insurance	21,732	29,715	26,031
Marketing and Advertising	13,020	27,750	25,283
Sponsorships	12,150	-	-
Other Administrative Expenses	133,781	177,964	155,563
	879,938	872,409	942,935
Interest Expense	5,233,788	5,301,197	5,403,659

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Revenues and Costs Funded by Revenues
Compared to Budget – Budgetary Basis – Other Operations
For the Year Ended December 31, 2024

	2024 BUDGET	2024 ACTUAL	Restated 2023 ACTUAL
OTHER COSTS FUNDED BY REVENUES:			
Principal Maturities	4,639,830	4,639,829	\$ 4,477,799
Capital Outlays	114,000	112,786	26,906
Replacement Reserve	50,284	50,284	50,284
	4,804,114	4,802,899	4,554,989
TOTAL COSTS FUNDED BY REVENUES	15,543,308	15,303,564	15,228,160
REVENUES OVER (UNDER) COSTS FUNDED BY REVENUES	\$ 314,529	1,219,581	1,977,273
Reconciliation of Budgetary Basis to Change in Net Position:			
Adjustments to Budgetary Basis:			
Capital Outlays		112,786	26,906
Transfers to Renewal and Replacement Reserves		50,284	50,284
Principal Maturities		4,639,829	4,477,799
Debt Issuance Costs Incurred		(147,926)	(164,839)
Amortization Charges to Interest Expense		115,669	98,393
Increase (Decrease) in Fair Value of Investments		128,898	15,803
Gain/(Loss) on Disposal of Assets		-	(1,149,766)
OPEB - Difference of GAAP vs. Budgetary Basis		(77,392)	(115,656)
Pension Expense - Difference of GAAP vs. Budgetary Basis		42,659	(68,610)
Depreciation		(4,740,200)	(4,583,594)
Capital Contributions		(39,810)	-
Change in Net Position - Blended Component Unit		(104,530)	1,018,662
CHANGE IN NET POSITION PER SCHEDULE 3		\$ 1,199,848	\$ 1,582,655

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY*Schedule of Reconciliation of Budgetary Revenues and**Costs Funded by Revenues to Change in Net Position*

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues Over (Under) Costs Funded By Revenues:		
Solid Waste Operations - Schedule 4A	\$ (944,773)	\$ 630,895
Other Operations - Schedule 4B	<u>1,219,581</u>	<u>1,977,273</u>
	274,809	2,608,168
 Adjustments to Budgetary Basis:		
Interest Income not used for Operations	773,729	822,756
Capital Outlays	1,658,738	502,807
Principal Maturities	7,409,826	6,955,092
Transfers to Renewal and Replacement Reserves	931,966	911,303
Increase (Decrease) in Fair Value of Investments	(34,094)	756,133
Increase in Reserve for Operating and Maintenance	47,480	88,640
Closure Postclosure Escrow Funds Utilized	-	(16,865)
Amortization Charged to Interest Expense	166,032	152,712
Depreciation	(10,277,599)	(9,684,037)
Gain/(Loss) on Disposal of Assets	179,825	(1,148,991)
Closure Post Closure Expenses per GAAP	(5,264,605)	(988,900)
Debt Issuance Costs Incurred	(152,431)	(233,543)
OPEB - Difference of GAAP vs. Budgetary Basis	(231,488)	(362,028)
Pension Expense - Difference of GAAP vs. Budgetary Basis	75,794	(205,051)
Capital Contributions	(39,810)	-
Change in Net Position - Blended Component Unit	<u>(104,530)</u>	<u>1,018,662</u>
 Change in Net Position Per Exhibit B	 <u>\$ (4,586,358)</u>	 <u>\$ 1,176,858</u>

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Revenue Bonds Payable

December 31, 2024

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2024	PRINCIPAL ADDITIONS 2024	PRINCIPAL MATURITIES 2024	ADDITIONAL PAID 2024	DEFEASED 2024	BALANCE DECEMBER 31, 2024
			DATE	AMOUNT							
2014 County Guaranteed Facilities Acquisition Project Revenue Bonds	\$ 17,955,000	5/29/2014	5/1/2025	\$ 665,000	3.00%	\$ 13,555,000	\$ -	\$ 640,000	\$ -	\$ -	\$ 12,915,000
			5/1/2026	690,000	3.13%						
			5/1/2027	710,000	3.13%						
			5/1/2028	730,000	3.25%						
			5/1/2029	755,000	3.50%						
			5/1/2030	785,000	3.75%						
			5/1/2031	815,000	3.75%						
			5/1/2032	845,000	3.75%						
			5/1/2033	875,000	3.75%						
			5/1/2034	915,000	3.75%						
			5/1/2035	945,000	4.00%						
			5/1/2036	985,000	4.00%						
			5/1/2037	1,025,000	4.00%						
			5/1/2038	1,065,000	4.00%						
			5/1/2039	1,110,000	4.00%						
2015A County Guaranteed Solid Waste Revenue Refunding Bonds	\$ 14,595,000	5/29/2015	1/1/2025	\$ 1,860,000	4.00%	\$ 5,570,000	\$ -	\$ 1,780,000	\$ -	\$ -	\$ 3,790,000
			1/1/2026	1,930,000	3.00%						
2015 Lease Revenue Bonds - State Office Buildings Project	\$ 3,975,000	8/25/2015	6/15/2025	\$ 275,000	3.69%	\$ 2,415,000	\$ -	\$ 265,000	\$ -	\$ -	\$ 2,150,000
			6/15/2026	355,000	3.69%						
			6/15/2027	365,000	3.69%						
			6/15/2028	375,000	3.69%						
			6/15/2029	385,000	3.69%						
			6/15/2030	395,000	3.69%						
2017 New Jersey Environmental Infrastructure Trust Loan	\$ 2,510,000	5/25/2017	9/2/2025	\$ 125,000	5.00%	\$ 1,910,000	\$ -	\$ 120,000	\$ -	\$ -	\$ 1,790,000
			9/2/2026	130,000	3.00%						
			9/2/2027	135,000	3.00%						
			9/1/2028	140,000	3.00%						
			9/1/2029	140,000	3.00%						
			9/1/2030	145,000	3.00%						
			9/1/2031	150,000	3.00%						
			9/1/2032	155,000	3.00%						
			9/1/2033	160,000	3.125%						
			9/1/2034	165,000	3.250%						
			9/1/2035	170,000	3.250%						
			9/1/2036	175,000	3.375%						

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Revenue Bonds Payable

December 31, 2024

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2024	PRINCIPAL ADDITIONS 2024	PRINCIPAL MATURITIES 2024	ADDITIONAL PAID 2024	DEFEASED 2024	BALANCE DECEMBER 31, 2024
			DATE	AMOUNT							
2017 New Jersey Environmental Infrastructure Fund Loan	\$ 7,648,515	5/25/2017	2025	\$ 388,908	N/A	\$ 5,055,797	\$ -	\$ 388,908	\$ -	\$ -	\$ 4,666,889
			2026	388,908							
			2027	388,908							
			2028	388,908							
			2029	388,908							
			2030	388,908							
			2031	388,908							
			2032	388,908							
			2033	388,908							
			2034	388,908							
			2035	388,908							
			2036	388,901							
			2017 Revenue Bonds	\$ 12,000,000							
10/4/2026	144,000	4.375%									
10/4/2027	153,000	4.375%									
10/4/2028	162,000	4.375%									
10/4/2029	172,000	6.950%									
10/4/2030	182,000	6.950%									
10/4/2031	194,000	6.950%									
10/4/2032	206,000	6.950%									
10/4/2033	219,000	6.950%									
10/4/2034	232,000	6.950%									
10/4/2035	246,000	6.950%									
10/4/2036	261,000	6.950%									
10/4/2037	277,000	6.950%									
10/4/2038	294,000	6.950%									
10/4/2039	312,000	6.950%									
10/4/2040	332,000	6.950%									
10/4/2041	352,000	6.950%									
10/4/2042	373,000	6.950%									
Series 2017 City of Vineland Public Safety Project	\$ 21,935,000	12/12/2017	12/15/2025	\$ 750,000	5.000%	\$ 20,005,000	\$ -	\$ 715,000	\$ -	\$ -	\$ 19,290,000
			12/15/2026	785,000	5.000%						
			12/15/2027	825,000	5.000%						
			12/15/2028	865,000	4.000%						
			12/15/2029	900,000	4.000%						
			12/15/2030	935,000	4.000%						
			12/15/2031	975,000	4.000%						
			12/15/2032	1,015,000	4.000%						
			12/15/2033	1,055,000	3.250%						
			12/15/2034	1,090,000	3.250%						
			12/15/2035	1,125,000	3.250%						
			12/15/2036	1,160,000	3.250%						
			12/15/2037	1,200,000	3.250%						
			12/15/2038	1,235,000	3.375%						
			12/15/2039	1,280,000	3.375%						
			12/15/2040	1,320,000	3.375%						
			12/15/2041	1,365,000	3.375%						
			12/15/2042	1,410,000	3.375%						

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Revenue Bonds Payable

December 31, 2024

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES			BALANCE JANUARY 1, 2024	PRINCIPAL ADDITIONS 2024	PRINCIPAL MATURITIES 2024	ADDITIONAL PAID 2024	DEFEASED 2024	BALANCE DECEMBER 31, 2024
			DATE	AMOUNT	INTEREST RATE						
2018 Revenue Bonds	\$ 3,200,000	9/15/2018	12/31/2025	201,000	4.980%	\$ 2,366,000	\$ -	\$ 192,000	\$ -	\$ -	\$ 2,174,000
			12/31/2026	211,000	4.980%						
			12/31/2027	222,000	4.980%						
			12/31/2028	231,000	4.980%						
			12/31/2029	240,000	4.980%						
			12/31/2030	249,000	6.950%						
			12/31/2031	259,000	6.950%						
			12/31/2032	275,000	6.950%						
			12/31/2033	286,000	6.950%						
2018 Revenue Bonds County Correctional Facility Project	\$ 64,990,000	12/13/2018	10/1/2025	\$ 780,000	5.000%	\$ 62,365,000	\$ -	\$ 740,000	\$ -	\$ -	\$ 61,625,000
			10/1/2026	815,000	5.000%						
			10/1/2027	860,000	5.500%						
			10/1/2028	905,000	5.000%						
			10/1/2029	950,000	5.500%						
			10/1/2030	1,000,000	5.000%						
			10/1/2031	1,050,000	5.000%						
			10/1/2032	1,100,000	5.000%						
			10/1/2033	1,155,000	5.000%						
			10/1/2034	1,215,000	5.000%						
			10/1/2035	1,275,000	5.000%						
			10/1/2036	1,340,000	5.000%						
			10/1/2037	1,405,000	5.000%						
			10/1/2038	1,475,000	5.000%						
			10/1/2039	1,550,000	4.000%						
			10/1/2040	1,610,000	4.000%						
			10/1/2041	1,675,000	4.000%						
			10/1/2042	1,740,000	4.000%						
			10/1/2043	1,810,000	4.000%						
			10/1/2044	1,885,000	4.000%						
			10/1/2045	1,960,000	4.000%						
			10/1/2046	2,040,000	4.000%						
			10/1/2047	2,120,000	4.000%						
			10/1/2048	2,205,000	4.000%						
			10/1/2049	2,290,000	4.000%						
			10/1/2050	2,385,000	4.000%						
			10/1/2051	2,480,000	4.000%						
			10/1/2052	2,580,000	4.000%						
			10/1/2053	2,680,000	4.000%						
			10/1/2054	2,790,000	4.000%						
			10/1/2055	2,900,000	5.000%						
			10/1/2056	3,045,000	5.000%						
			10/1/2057	3,200,000	5.000%						
			10/1/2058	3,355,000	5.000%						

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Revenue Bonds Payable

December 31, 2024

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2024	PRINCIPAL ADDITIONS 2024	PRINCIPAL MATURITIES 2024	ADDITIONAL PAID 2024	DEFEASED 2024	BALANCE DECEMBER 31, 2024
			DATE	AMOUNT							
2019 County Guaranteed Administration Building	\$ 4,970,000	4/4/2019	3/15/2025	\$ 100,000	5.000%	\$ 4,620,000	\$ -	\$ 95,000	\$ -	\$ -	\$ 4,525,000
			3/15/2026	100,000	5.000%						
			3/15/2027	105,000	5.000%						
			3/15/2028	110,000	5.000%						
			3/15/2029	120,000	5.000%						
			3/15/2030	125,000	5.000%						
			3/15/2031	130,000	5.000%						
			3/15/2032	135,000	5.000%						
			3/15/2033	145,000	5.000%						
			3/15/2034	150,000	5.000%						
			3/15/2035	160,000	5.000%						
			3/15/2036	165,000	5.000%						
			3/15/2037	175,000	5.000%						
			3/15/2038	185,000	5.000%						
			3/15/2039	195,000	5.000%						
			3/15/2040	200,000	3.500%						
			3/15/2041	210,000	3.500%						
			3/15/2042	215,000	3.500%						
			3/15/2043	225,000	3.500%						
			3/15/2044	235,000	3.500%						
			3/15/2045	240,000	5.000%						
			3/15/2046	255,000	5.000%						
			3/15/2047	270,000	5.000%						
			3/15/2048	280,000	5.000%						
			3/15/2049	295,000	5.000%						
2020 Vineland Board of Education Bus Depot Project	\$ 3,165,000	4/28/2020	4/15/2025	\$ 650,000	1.520%	\$ 1,290,000	\$ -	\$ 640,000	\$ -	\$ -	\$ 650,000

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Revenue Bonds Payable

December 31, 2024

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2024	PRINCIPAL ADDITIONS 2024	PRINCIPAL MATURITIES 2024	ADDITIONAL PAID 2024	DEFEASED 2024	BALANCE DECEMBER 31, 2024
			DATE	AMOUNT							
Bridgeton Fire Station Series 2021	\$ 7,495,000	12/22/2021	12/31/2025	\$ 160,000	4.000%	\$ 7,350,000	\$ -	\$ 150,000	\$ -	\$ -	\$ 7,200,000
			12/31/2026	165,000	4.000%						
			12/31/2027	170,000	4.000%						
			12/31/2028	175,000	4.000%						
			12/31/2029	185,000	4.000%						
			12/31/2030	190,000	4.000%						
			12/31/2031	200,000	4.000%						
			12/31/2032	210,000	4.000%						
			12/31/2033	215,000	4.000%						
			12/31/2034	225,000	4.000%						
			12/31/2035	235,000	4.000%						
			12/31/2036	245,000	4.000%						
			12/31/2037	255,000	3.000%						
			12/31/2038	260,000	3.000%						
			12/31/2039	270,000	3.000%						
			12/31/2040	275,000	3.000%						
			12/31/2041	285,000	3.000%						
			12/31/2042	295,000	4.000%						
			12/31/2043	305,000	4.000%						
			12/31/2044	315,000	4.000%						
			12/31/2045	330,000	4.000%						
			12/31/2046	345,000	4.000%						
			12/31/2047	355,000	3.000%						
			12/31/2048	365,000	3.000%						
			12/31/2049	380,000	3.000%						
			12/31/2050	390,000	3.000%						
			12/31/2051	400,000	3.000%						
Tech School Series 2022	\$ 1,990,000	2/28/2022	12/15/2025	\$ 65,000	2.340%	\$ 1,855,000	\$ -	\$ 65,000	\$ -	\$ -	\$ 1,790,000
			12/15/2026	70,000	2.340%						
			12/15/2027	70,000	2.340%						
			12/15/2028	70,000	2.340%						
			12/15/2029	75,000	2.340%						
			12/15/2030	75,000	2.340%						
			12/15/2031	75,000	2.340%						
			12/15/2032	80,000	2.340%						
			12/15/2033	80,000	2.340%						
			12/15/2034	80,000	2.340%						
			12/15/2035	85,000	2.340%						
			12/15/2036	965,000	2.340%						

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Revenue Bonds Payable

December 31, 2024

	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES			BALANCE JANUARY 1, 2024	PRINCIPAL ADDITIONS 2024	PRINCIPAL MATURITIES 2024	ADDITIONAL PAID 2024	DEFEASED 2024	BALANCE DECEMBER 31, 2024
			DATE	AMOUNT	INTEREST RATE						
State Police Barricks Series 2023	\$ 6,300,000	11/29/2023	11/1/2025	\$ 100,000	5.000%	\$ 6,300,000	\$ -	\$ -	\$ -	\$ -	\$ 6,300,000
			11/1/2026	105,000	5.000%						
			11/1/2027	110,000	5.000%						
			11/1/2028	115,000	5.000%						
			11/1/2029	125,000	5.000%						
			11/1/2030	130,000	5.000%						
			11/1/2031	135,000	5.000%						
			11/1/2032	145,000	5.000%						
			11/1/2033	150,000	5.000%						
			11/1/2034	155,000	5.000%						
			11/1/2035	165,000	5.000%						
			11/1/2036	175,000	5.000%						
			11/1/2037	180,000	5.000%						
			11/1/2038	190,000	5.000%						
			11/1/2039	200,000	5.000%						
			11/1/2040	210,000	5.000%						
			11/1/2041	220,000	5.000%						
			11/1/2042	230,000	5.000%						
			11/1/2043	245,000	5.000%						
			11/1/2044	255,000	5.000%						
			11/1/2045	270,000	5.000%						
			11/1/2046	280,000	5.000%						
			11/1/2047	295,000	5.000%						
			11/1/2048	310,000	5.000%						
			11/1/2049	325,000	5.000%						
			11/1/2050	345,000	5.000%						
			11/1/2051	360,000	5.000%						
			11/1/2052	380,000	5.000%						
			11/1/2053	395,000	5.000%						
2023 New Jersey Environmental Infrastructure Trust Loan	\$ 2,927,005	12/15/2023	8/1/2025	\$ 100,000	5.000%	\$ 2,927,005	\$ -	\$ -	\$ -	\$ -	\$ 2,927,005
			8/1/2026	105,000	5.000%						
			8/1/2027	105,000	5.000%						
			8/1/2028	115,000	5.000%						
			8/1/2029	120,000	5.000%						
			8/1/2030	125,000	5.000%						
			8/1/2031	130,000	5.000%						
			8/1/2032	140,000	5.000%						
			8/1/2033	145,000	5.000%						
			8/1/2034	155,000	5.000%						
			8/1/2035	160,000	5.000%						
			8/1/2036	171,434	3.030%						
			8/1/2037	174,879	3.030%						
			8/1/2038	183,177	3.030%						
			8/1/2039	186,228	3.030%						
			8/1/2040	194,120	3.030%						
			8/1/2041	201,752	3.030%						
			8/1/2042	204,115	3.030%						
			8/1/2043	211,300	3.030%						

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Revenue Bonds Payable

December 31, 2024

	MATURITIES																		
	ORIGINAL ISSUE	DATE OF ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE JANUARY 1, 2024	PRINCIPAL ADDITIONS 2024	PRINCIPAL MATURITIES 2024	ADDITIONAL PAID 2024	DEFEASED 2024	BALANCE DECEMBER 31, 2024								
2023 New Jersey Environmental Infrastructure Fund Loan	\$	2,330,478	12/15/2023	8/1/2025	\$	118,499	N/A	\$	2,330,478	\$	-	\$	78,999	\$	-	\$	-	\$	2,251,479
				8/1/2026	118,499														
				8/1/2027	118,499														
				8/1/2028	118,499														
				8/1/2029	118,499														
				8/1/2030	118,499														
				8/1/2031	118,499														
				8/1/2032	118,499														
				8/1/2033	118,499														
				8/1/2034	118,499														
				8/1/2035	118,499														
				8/1/2036	118,499														
				8/1/2037	118,499														
				8/1/2038	118,499														
				8/1/2039	118,499														
				8/1/2040	118,499														
				8/1/2041	118,499														
				8/1/2042	118,498														
				8/1/2043	118,498														
2024 Bridgeton Fire Station	\$	2,730,000	10/22/2024	12/1/2025	\$	70,000	5.000%	\$	-	\$	2,730,000	\$	-	\$	-	\$	-	\$	2,730,000
				12/1/2026	90,000	5.000%													
				12/1/2027	95,000	5.000%													
				12/1/2028	100,000	5.000%													
				12/1/2029	100,000	5.000%													
				12/1/2030	110,000	5.000%													
				12/1/2031	115,000	5.000%													
				12/1/2032	120,000	5.000%													
				12/1/2033	125,000	5.000%													
				12/1/2034	130,000	5.000%													
				12/1/2035	140,000	5.000%													
				12/1/2036	145,000	4.000%													
				12/1/2037	150,000	4.000%													
				12/1/2038	155,000	4.000%													
				12/1/2039	165,000	4.000%													
				12/1/2040	170,000	4.000%													
				12/1/2041	175,000	4.000%													
				12/1/2042	185,000	4.000%													
				12/1/2043	190,000	4.000%													
				12/1/2044	200,000	4.000%													
						\$ 144,289,280	\$ 2,730,000	\$ 5,997,907	\$ -	\$ -	\$ 141,021,373								

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Notes Payable

December 31, 2024

MATURITIES

	ORIGINAL ISSUE	DATE OF ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE JANUARY 1, 2024	ISSUED 2024	PAID 2024	REFUNDED 2024	BALANCE DECEMBER 31, 2024
2017 TD Loan Payable	\$ 7,357,350	12/29/2017	12/1/2025	\$ 4,501,975	3.860%	\$ 4,597,424	\$ -	\$ 95,449	\$ -	\$ 4,501,975
CEZC	\$ 1,000,000	6/14/2018	6/14/2025	\$ 1,000,000	N/A	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Equipment Loan - CNG Station	\$ 3,000,000	7/31/2018	7/31/2025 7/31/2026 7/31/2027 7/31/2028	\$ 313,905 324,515 335,484 346,823	3.380%	\$ 1,624,369	\$ -	\$ 303,642	\$ -	\$ 1,320,727
Equipment Loan - 2019	\$ 200,000	10/10/2019		\$ -	2.100%	\$ 41,680	\$ -	\$ 41,680	\$ -	\$ -
Equipment Loan - Gas Wells	\$ 725,000	4/30/2020	4/30/2025	\$ 150,074	1.750%	\$ 297,567	\$ -	\$ 147,493	\$ -	\$ 150,074
Equipment Loan Food	\$ 1,650,000	10/30/2020	10/30/2025 10/30/2026 10/30/2027	\$ 239,033 242,499 246,016	1.450%	\$ 963,164	\$ -	\$ 235,617	\$ -	\$ 727,547
Equipment Loan - Generators	\$ 850,000	12/18/2020	12/18/2025	\$ 147,561	1.430%	\$ 293,043	\$ -	\$ 145,481	\$ -	\$ 147,562
TD Equipment Loan - SIM	\$ 2,400,000	9/30/2021	9/30/2025 9/30/2026 9/30/2027 9/30/2028	\$ 342,378 351,554 360,975 370,649	2.680%	\$ 1,758,998	\$ -	\$ 333,442	\$ -	\$ 1,425,557
TD Equipment Loan - Leachate Equalization Inner Tank Replacement	\$ 1,275,000	12/19/2023	11/1/2025 11/1/2026 11/1/2027 11/1/2028 11/1/2029 11/1/2030 11/1/2031 11/1/2032 11/1/2033	\$ 106,127 111,337 116,804 122,539 128,556 134,868 141,490 148,437 155,726	4.910%	\$ 1,275,000	\$ -	\$ 109,116	\$ -	\$ 1,165,884
						<u>\$ 11,851,245</u>	<u>\$ -</u>	<u>\$ 1,411,919</u>	<u>\$ -</u>	<u>\$ 10,439,326</u>

See Independent Auditor's Report and Accompanying Notes

MARTINI & MARTINI, CPA, PA

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Conduit Debt

December 31, 2024

ISSUE	DATE OF ISSUE	ISSUED AMOUNT	BALANCE JANUARY 1, 2024	BONDS ISSUED 2024	PRINCIPAL MATURITIES 2024	BONDS DEFEASED 2024	BALANCE DECEMBER 31, 2024
Guaranteed by Other Governmental Entities:							
Cumberland County General Obligation Revenue Bonds Technical High School Project, Series 2019	1/16/2019	\$ 21,035,000	\$ 18,735,000	-	\$ 590,000	-	\$ 18,145,000
Cumberland County General Obligation Bonds Technical High School Project, Series 2014	10/30/2014	\$ 63,890,000	\$ 23,015,000	-	\$ 2,315,000	-	\$ 20,700,000
Cumberland County General Obligation Revenue Refunding Bonds Technical High School Project, Series 2020	7/15/2020	\$ 31,335,000	\$ 29,705,000	-	\$ 405,000	-	\$ 29,300,000
			\$ 71,455,000	\$ -	\$ 3,310,000	\$ -	\$ 68,145,000

*See Independent Auditor's Report and Accompanying Notes***MARTINI & MARTINI, CPA, PA**

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Roster of Officials

December 31, 2024

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

Albert B. Kelly	Chairman
Shelly Schneider	Vice Chairman
Dale K. Jones	Secretary
Jason Scythes	Treasurer
T. Carl Hemple	Assistant Secretary
Gerard Velazquez, III	President, CEO
Archer & Greiner, P.C.	Solicitor
Pheonix Advisors	Financial Advisors

CRIME POLICY/EMPLOYEE DISHONESTY

Traveler's Insurance Company

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Cumberland County Improvement Authority (*the Authority*), a component unit of the County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 31, 2025.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 were not identified.

Report on Compliance & Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as item 2024-001.

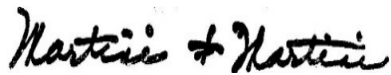
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL (*CONCLUDED*)

The Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on The Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

A handwritten signature in black ink that reads "Martini & Martini". The script is cursive and stylized, with the ampersand being a simple cross-like symbol.

MARTINI & MARTINI, CPA, PA

Vineland, NJ
July 31, 2025

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

Schedule of Findings and Responses

Year Ended December 31, 2024

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

2024-001 Investment Maturity Limitations

Condition: Per the Local Authorities Fiscal Control Law P.L. 1983, c.313 (C.40A:5A-1 et seq.), and the New Jersey Sanitary Landfill Escrow Accounts Investment Guidelines, certain investments may not have a maturity over 397 days, with other individual securities limited to 10 years, with an average monthly maturity between 3 and 5 years in accordance with the closure/post closure financial plan.

During the audit, we identified a number of investments within the landfill closure escrow funds accounts with maturities over imposed limitations on county, municipal and local governments.

Recommendation: The Authority should review current investments held within their landfill closure escrow funds with their investment advisors and work to get the portfolio into compliance, or obtain relevant waivers from regulatory agencies.

Management's Response: We will work with our investment advisors to make our investment portfolio compliant with Local Authorities Fiscal Control Law P.L. 1983, c.313 (C.40A:5A-1 et seq.) and the New Jersey Sanitary Landfill Escrow Accounts Investment Guidelines. We will also work with our attorneys and regulatory agencies to obtain necessary waivers for investments out of compliance.

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY*Status of Prior Year Findings and Questioned Costs*

Year Ended December 31, 2024

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.