ATLANTIC COUNTY UTILITIES AUTHORITY

REPORT ON AUDIT OF

BASIC FINANCIAL STATEMENTS

AND SUPPLEMENTAL INFORMATION

YEARS ENDED DECEMBER 31, 2024 AND 2023

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INTRODUCTORY SECTION

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Atlantic County Utilities Authority
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November 28, 2025

Chairman Embry, Authority Board Members and President DeNafo:

Presented to you are the audited financial statements for the 2024 year. There are separate financial statements for the Wastewater Division and Solid Waste Division, as has been done in prior years. The financial statements are presented separately for each division because the Divisions are separate and distinct for ratemaking, operating, and public financing purposes. There are also combined statements as required by accounting standards for the Comparative Statement of Net Position, the Comparative Statement of Revenues, Expenses, and Changes in Net Position, and Comparative Statement of Cash Flows.

Government Auditing Standards and State law requires that the Atlantic County Utilities Authority publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. The financial statements for the 2024 year are presented as required. It should be noted that the delay in the completion of the December 31, 2024, annual audit resulted from a delay in the State issuing the June 30, 2024, State of New Jersey Health Benefits Local Government Retired Employees Plan Audit Report, which is required in order to comply with the Governmental Accounting Standards Board Statement Number 75.

In addition, and for the purpose of evaluating budget performance, Schedules of Operating Revenues and Costs Funded by Operating Revenues Compared to Budget Rate Basis have been completed. This is more commonly referred to as the "Budget to Actual" statement and has been completed for both the Wastewater and Solid Waste Divisions. Similar statements are also prepared and presented to you during the year and utilized by the operations and management staff to evaluate operating performance as it relates to budget.

Also included are statements prepared on a Modified GAAP Basis and relates more to the "Budget to Actual" statements. In addition, there are statements done in accordance with the bond indenture.

The justification and differences related to these statements are discussed more thoroughly in the Management Discussion and Analysis (MD&A) report provided herein. All of the additional statements mentioned are not in compliance with GAAP but have been reconciled to the required GAAP statements.

The MD&A report consists of management's representations concerning the finances of the Wastewater Division and the Solid Waste Division. Management assumes full responsibility for the completeness and reliability of all the information presented in the MD&A.

Regarding the reliability of the statements presented, a reasonable internal control framework and procedures exist to protect the Atlantic County Utility Authority's assets from loss, theft, or misuse. This internal control framework provides a basis that allows staff to compile sufficient and reliable information for the preparation of the Authority's financial statements in conformity with GAAP and for the audit by the Authority's independent auditor. Because the cost of internal controls should not outweigh their benefits, the internal controls cannot provide an absolute assurance, but can provide reasonable assurance as to the credibility and accuracy of the financial statements.

The staff of the Finance Department prepared the basic financial statements and the supplemental financial statements and schedules discussed above. Ford-Scott & Associates, LLC, a firm of licensed certified public accountants, has audited and opined on the Authority's financial statements. The goal of an independent audit is to provide reasonable assurance as to the validity of the financial statements. This involves examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing any estimates and calculations utilized, assessing supplemental information provided or gathered by the auditors, and assessing the overall financial statement presentation. The auditors have opined that the basic financial statements which were prepared in accordance with generally accepted accounting principles and audited in accordance with generally accepted auditing standards present fairly, in all material respects, the financial position of the Atlantic County Utilities Authority at December 31, 2024. There are no recommendations noted.

Sincerely,

Linda Bazemore

Linda Bazemore
Vice President of Administration & Finance/CFO

Katherine Vesey

Katherine Vesey
Director of Finance

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Members
of the Atlantic County Utilities Authority
(A component unit of the County of Atlantic)
County of Atlantic, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Atlantic County Utilities Authority (a component unit of the County of Atlantic) in the County of County, State of New Jersey, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Atlantic County Utilities Authority (a component unit of the County of Atlantic), as of December 31, 2024 and 2023, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue

as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 GAAS, 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 an 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 GAAS, and *Government Auditing Standards*, we:

- exercise professional judgement 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 the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge 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 and budgetary comparison information* identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Atlantic County Utilities Authority's basic financial statements. The combining and individual fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is 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 November 28, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

November 28, 2025

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REQUIRED SUPPLEMENTARY INFORMATION

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Atlantic County Utilities Authority's (the Authority or the ACUA) annual financial report, the management of the Authority provides narrative discussion and analysis of the financial activities of the Authority for the audit year ending December 31, 2024.

The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and notes following this section.

The Atlantic County Utilities Authority consists of three divisions. The three divisions are Administration, Solid Waste and Wastewater. The latter two are the operational divisions of the ACUA. Administrative expenses are allocated between the two operational Divisions based on percentages deemed appropriate by management. These expenses are included in the financial statements of the two divisions. The two operating divisions are discussed in this section separately where appropriate. The two divisions are separate and distinct from each other for rate making and operating purposes. The Bondholders, if applicable, of each Division do not have claims on the revenues or assets of the other Division.

Discussion of Financial Statements Included in Annual Audit

The Authority prepares and presents its financial statements on several different bases because of accounting requirements and for internal use purposes.

The first set of statements for each respective Division, which consist of the Comparative Statement of Net Position, the Comparative Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows, is prepared on an accrual basis and is in accordance with generally accepted accounting principles (GAAP) applicable to enterprise funds of state and local governments. These statements are the official financial statements of the Atlantic County Utilities Authority.

After the first set of statements and the "Notes to the Financial Statements" that follow, is the second set of statements for each respective Division. These statements are considered "Supplemental Information" and consist of the Comparative Statement of Net Position, the Comparative Statement of Revenues, Expenses and Changes in Net Position. They are prepared on a "Modified Accrual Basis".

There are two differences between the statements. The first is the recording and reporting of accounts payable. On the "Modified Accrual Basis" statements, all encumbrances as of December 31, 2024, are reported as Accounts Payable or Construction Contracts Payable, and as Property, Plant and Equipment. On the "GAAP Basis" statements, only those encumbrances where goods or services have been received as of December 31, 2024, are reported as Accounts Payable or Construction Contracts Payable, and as Property, Plant and Equipment. The second difference relates to pensions and other post-employment

benefits. The Authority adopted *GASB 68 – Accounting and Financial Reporting for Pensions* in 2015 *and GASB 75 – Accounting and Financial Reporting for Other Post-Employment Benefits* in 2018. The financial impact of GASB 68 and GASB 75 is only on the GAAP statements. See Notes 9 and 17 for further explanation and their impact on the Authority's financial statements.

The difference between the two statements and methodologies presents itself in Net Position-Unrestricted and is shown on the Modified Accrual Statement for each Division.

The Authority has historically presented its financial statements on a "Modified Accrual Basis" and continues to do so because it relates more fairly to the annual budget for the same period. The annual budget records all encumbrances as charges against the adopted appropriation even if the items or services have not been received.

Also contained in the supplemental information are statements for each Division that reports the "Schedule of Operating Revenues and Costs Funded by Operating Revenues Compared to Budget-Rate Basis". This statement compares the "Budget" revenues and expenses to "Actual" revenues and expenses. This includes operating revenues and expenses, non-operating revenues, and non-operating expenses. Principal and Interest are reported in this statement as Debt Service Expense, and Depreciation is not reported as an expense. On the "GAAP" and "Modified Accrual" statements, Depreciation Expense is included as an expense, and only the Interest Expense component of the Debt Service Expense is reported.

The Budget to Actual statement is a very important statement for the Authority management staff because it is how financial performance is measured, particularly as it compares to the approved and adopted annual budget and how it relates to operational performance.

Finally, there is a "Special Purpose Statement of Revenues and Expenses to Comply with Revenue Bond Resolution" for the Wastewater Division. This statement is done as defined and in accordance with the Bond Resolution. This statement essentially includes the same revenues and same expenses as reported on the "GAAP Basis" statements, except for Depreciation. Depreciation is not included in the statement which complies with the Wastewater Bond Resolution.

For the purpose of the Management Discussion and Analysis (MD&A), the ensuing discussion will review the official statements of the Atlantic County Utilities Authority, those prepared in accordance with generally accepted accounting principles (GAAP) applicable to enterprise funds of state and local governments. This is the first set of statements included in the annual audit report. Throughout the MD&A discussion certain numbers are rounded and represent approximate amounts. Exact amounts are in the numerical charts.

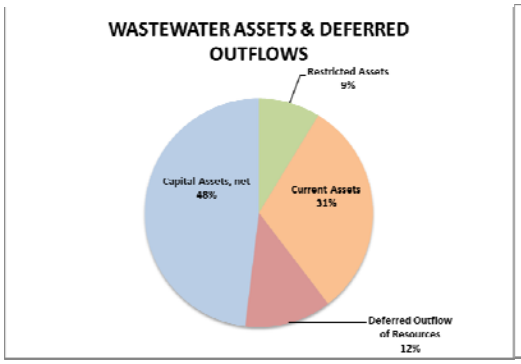
Wastewater Division

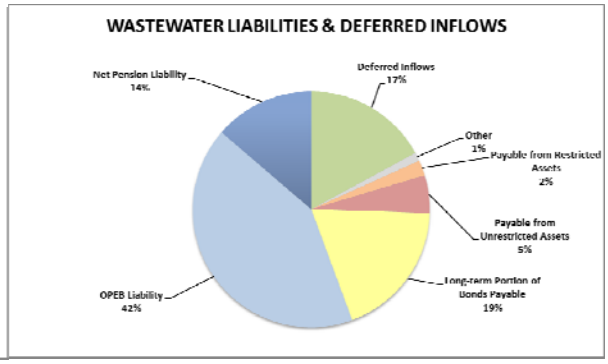
Comparative Balance Sheet

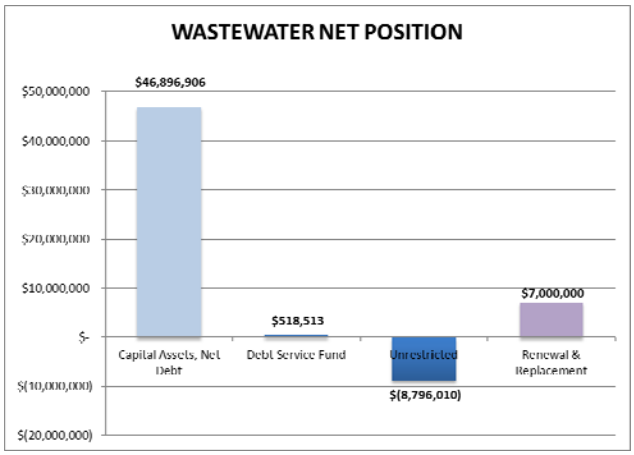
The Balance Sheet is the only financial statement that applies to a single point in time. This statement is intended to provide a snapshot of the Division's financial condition as of December 31st. The Division's Assets and Deferred Outflows exceed Liabilities and Deferred Inflows by more than $45.6 million which indicates a strong financial position.

Below is a synopsis of the Wastewater Division's 2024 Balance Sheet with a comparison to the last two years:

	2024	2023	2022	2024-2023 $ Change	2024-2023 % Change
Total Current Assets	$ 42,500,695	$ 39,313,620	$ 38,805,891	$ 3,187,074	8%
Total Restricted & Noncurrent Assets	11,996,910	17,607,528	18,812,952	(5,610,618)	-32%
Capital Assets, Net of Depreciation	66,087,980	64,732,574	65,587,367	1,355,406	2%
Deferred Outflow Related to Pensions & OPEB	16,927,841	16,971,249	15,772,959	(43,408)	0%
TOTAL ASSETS & DEFERRED OUTLFOWS	$ 137,513,426	138,624,972	138,979,169	(1,111,546)	-1%
Total Current Payable from Unrestricted	$ 4,733,968	$ 4,535,699	$ 5,701,882	$ 198,269	4%
Total Current Payable from Restricted	1,938,471	2,423,971	1,931,107	(485,500)	-20%
Total Noncurrent Liabilities Payable from Restricted	17,359,886	19,086,972	21,081,537	(1,727,085)	-9%
Total Noncurrent Liabilities Payable from Unrestricted	52,171,018	47,966,854	47,252,283	4,204,164	9%
Total Deferred Inflows Related to Pensions & OPEB	15,690,674	20,091,127	20,235,983	(4,400,453)	-22%
TOTAL LIABILITIES & DEFERRED INFLOWS	91,894,017	94,104,622	96,202,790	(2,210,605)	-2%
Invested in Capital Assets, Net Debt	46,896,906	43,516,159	42,500,846	3,380,747	8%
Total Restricted	7,518,513	7,863,898	7,780,177	(345,385)	-4%
Unrestricted	(8,796,010)	(6,859,707)	(7,504,644)	(1,936,303)	28%
TOTAL NET POSITION	$ 45,619,409	$ 44,520,350	$ 42,776,379	$ 1,099,059	2%
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 137,513,426	$ 138,624,972	$ 138,979,169	$ (1,111,546)	-1%







The Wastewater Division's Total Assets and Deferred Outflows are $137.5 million, a decrease of $1.1 million from 2023.

Current Assets increased $3.2 million due to an increase of $5.2 million in Cash and Investments and $110,000 increase in Accounts Receivable, offset by a decrease in Accrued Interest of $142,000 and decrease in Intercompany Accounts of $2 million. The decrease in Intercompany Accounts is offset by an increase in Cash & Investments of $5.2 million for a net increase of $3.2 million. The significant swing in the Intercompany Account is because of a deposit in the amount of $2.1 million that was inadvertently made to the Solid Waste bank account when due to the Wastewater division account as of December 31, 2023. The transfer to the correct bank account was made at the beginning of January 2024.

Restricted Noncurrent Assets decreased $5.6 million to $12 million. The decrease is primarily due to self-funding capital projects during 2024. In 2022 there was a $7.3 million Loan Receivable that was paid in January 2023. There were no loans receivable in 2023 or 2024.

Capital Assets increased $1.4 million, with additions representing $4.8 million and an increase to Accumulated Depreciation of $3.4 million. Additions in 2024 include pump station improvements and emergency repairs to existing infrastructure as well as $3.1 million in Construction-In-Progress. Construction-In-Progress includes Phases 1 and 2 of the solids handling process, improvements to the Ventnor-Margate pump station and design services for the aeration basin conversion to a diffused air system. Depreciation Expense is calculated straight line over the life of the asset with a half year of depreciation taken in the first and last years of the asset's life. Depreciation Expense was flat at $3.4 million for 2024 and 2023.

Deferred Outflows Related to Pensions decreased $546,000 to $849,000. The decrease is due to the actuarial assumptions used to calculate pension obligations. Deferred Outflows Related to OPEB increased from $15.6 million in 2023 to $16.1 million in 2024 also due to the actuarial assumptions used to calculate OPEB obligations.

The Division's Total Liabilities and Deferred Inflows are $91.9 million, a decrease of $2.2 million and 2%.

Current Liabilities from Unrestricted Assets are $4.7 million, an increase of $198,000. Accounts Payable increased $201,000 primarily due to the timing of payments made to vendors. Pension Payable represents the amount owed to the New Jersey Public Employee's Retirement System for the current year which decreased $3,000 and remained at $1.9 million.

Current Liabilities from Restricted Assets are $1.9 million, a decrease of $486,000. Construction Contracts Payable decreased $198,000 from 2023 primarily due to the timing of payments made to vendors. Deferred Revenue of $104,000 (current and long-term) represents savings credits from New Jersey iBank loan refinancings that will be realized in future years. Deferred Revenue decreased $31,000 in 2024, the amount of savings recognized in the current year.

Accrued Absences increased $15,000 to $448,000 which represents the value associated with vacation and compensatory time earned by employees as of December 31, 2024. Post Retirement Benefit Payable remained the same at $535,000. This balance represents additional funds set aside by the Authority for Other Post-Employment Benefits.

Current and Long-Term Bonds Payable went from $21.1 million in 2023 to $19.1 million in 2024 due to $2.0 million principal payments made in accordance with existing debt service schedules. No debt was issued in 2023 or 2024. Accrued Interest Expense decreased by $10,000 to $88,000 due to the repayment of debt during the year.

The Net Pension Liability is required as part of the implementation of GASB 68 and represents an actuarial estimate of the current liability for future pension expenses. The Net Pension Liability decreased $1.1 million and 8% to $12.6 million in 2024. The Authority's proportionate share of the plan's Net Pension Liability decreased 2.8% which is why the liability decreased. The actuarial assumptions used to calculate the obligation remained almost the same in 2024. The OPEB Liability is required as part of the implementation of GASB 75 and represents an actuarial estimate of the current liability for future post-employment benefits for retirees. The liability is $38.5 million and increased $5.3 million from 2023. The increase is almost entirely attributable to actuarial assumptions used because the Authority's allocation percentage decreased 2.81% in 2024.

Deferred Inflows Related to Pensions decreased $1.3 million and Deferred Inflows Related to OPEB increased $1.1 million due to changes in allocation percentages and actuarial assumptions used to calculate pension and OPEB obligations.

Assets and Deferred Outflow of Resources exceed Liabilities and Deferred Inflow of Resources by $45.6 million. This compares to 2023 where the division's Assets and Deferred Outflow of Resources exceeded its Liabilities and Deferred Inflow of Resources

by $44.5 million. The net change represents an increase in Net Position for the 2024 year of $1.1 million.

The Division's Net Position of $45,619,409 is comprised of the following:

(1) Capital Assets, Net of Related Debt of $46,896,906, include property, plant and equipment, net of accumulated depreciation, and net of long-term debt and short-term debt related to the purchase or construction of capital assets.

(2) Net Position of $7,000,000 restricted for the purpose of Renewal and Replacement of "the System" and restricted as the "System Improvement Requirement", which is determined each year by an independent consulting engineer.

(3) Net Position of $518,513 restricted for the purpose of forthcoming debt service payments.

(4) Net Position of $0 restricted for the purpose of providing a Debt Service Reserve Fund, in accordance with the Authority's debt covenants, a decrease of $287,207 from 2023 because debt associated with the Reserve Fund was fully repaid by December 31, 2024.

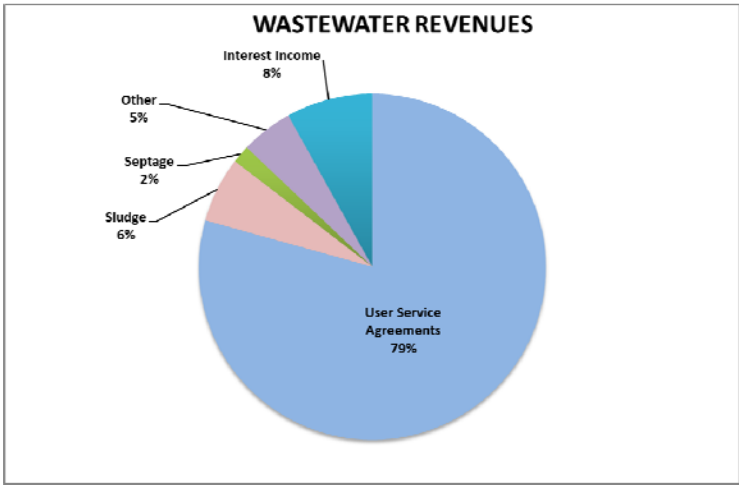
(5) Unrestricted Net Position of ($8,796,010) represents the portion available to maintain the Authority's continuing obligations to the contractual customers of its service area, its creditors and current liabilities. Also reflected in the balance are the financial impacts of the implementation of GASB 68 and GASB 75.

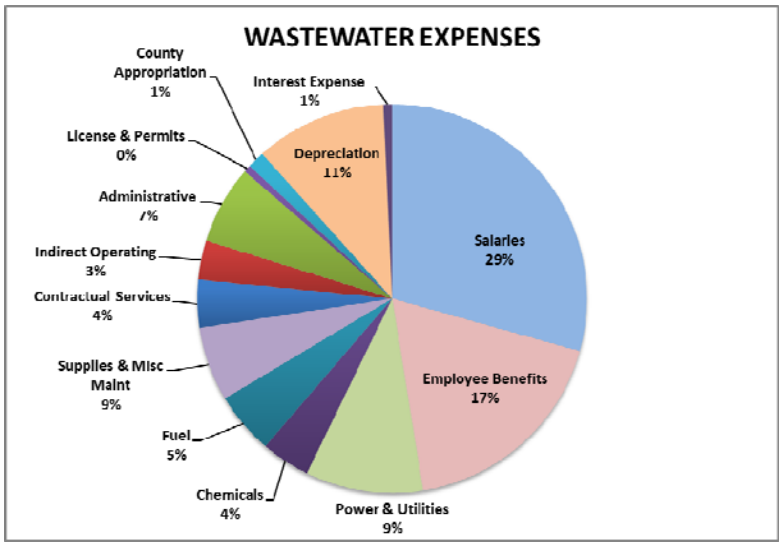
Restricted Net Position decreased $345,000 due to a decrease in the Debt Service Fund in accordance with future debt service payments for certain loans and a decrease in the Debt Service Reserve Fund as previously discussed. Unrestricted Net Position decreased $1.9 million which is a function of changes in Capital Assets net of related Debt, Restricted Net Assets and Net Income for the year.

Comparative Statement of Revenues, Expenses and Changes in Net Position:
This financial statement is commonly referred to as the Income Statement and summarizes the Division's Revenue and Expenditures for the year. This financial statement provides valuable insight into both operating and non-operating performance and is most useful when compared to prior periods of performance. Net income for the year was $1.1 million, a decrease of $645,000 from 2023.

Below is a synopsis of the Wastewater Division's 2024 Statement of Revenues, Expenses and Changes in Net Position with a comparison to the last two years:

WW Revenue	2024	2023	2022	2024-2023 $ Change	2024-2023 % Change
User Fee	$ 25,624,122	$ 25,121,688	$ 23,260,822	$ 502,434	2%
Sludge	1,976,170	2,006,142	1,909,106	(29,972)	-1%
Septage	538,672	442,860	452,624	95,812	22%
Grant Income	100,000	-	54,144	100,000	100%
Other	1,460,763	1,549,909	1,170,836	(89,146)	-6%
Total Revenue	29,699,727	29,120,599	26,847,532	579,128	2%
WW Operating Expenses					
Salaries	9,218,450	8,868,744	8,193,036	349,706	4%
Employee Benefits	5,677,787	5,559,236	4,926,686	118,551	2%
Power & Utilities	3,061,209	2,678,281	2,780,538	382,928	14%
Chemicals	1,274,025	1,521,412	1,058,338	(247,387)	-16%
Fuel	1,611,897	1,434,330	1,285,019	177,567	12%
Supplies & Miscellaneous Maintenance	1,938,613	2,686,532	3,138,744	(747,919)	-28%
Contractual Services	1,246,484	1,552,643	1,084,562	(306,159)	-20%
Indirect Operating Expenses	1,023,376	909,101	759,521	114,275	13%
Administrative	2,051,895	1,968,310	1,875,695	83,585	4%
Licenses & Permits	184,731	181,714	230,283	3,017	2%
Depreciation	3,421,942	3,393,669	3,385,991	28,273	1%
Total Operating Expenses	30,710,409	30,753,972	28,718,413	(43,563)	0%
Operating Income/(Loss)	(1,010,682)	(1,633,373)	(1,870,881)	622,691	38%
WW Non-Operating Revenue/(Expenses)					
County Appropriation	(450,000)	(450,000)	(450,000)	-	0%
Interest Income	2,603,140	2,591,885	493,371	11,255	0%
Interest Expense	(226,253)	(260,210)	(158,068)	33,957	13%
Principal Forgiveness	-	-	2,000,000	-	0%
Amortization of Bond Issue Costs	-	-	326,239	-	0%
Change in Pension Obligation	387,739	1,162,253	(1,155,570)	(774,514)	-67%
Change in OPEB Obligation	(204,885)	337,797	696,371	(542,682)	-161%
Pension Adjustment	-	(4,382)	-	4,382	100%
Total Non-Operating Revenue/(Expenses)	2,109,741	3,377,343	1,752,343	(1,267,602)	-38%
NET INCOME/(LOSS)	$ 1,099,059	$ 1,743,970	$ (118,538)	$ (644,911)	-37%





Operating Loss decreased $623,000 resulting from increased operating revenue of $579,000 million and decreased operating expenses of $44,000.

The user fee is the primary revenue source for the wastewater division and supports the expenses as follows: $23,362,255 for operating expenses, and $2,261,867 for annual debt service. The user fee charged to the participants increased $502,434 as compared to 2023. Sludge and Septage disposal services are considered "outside income", and as such are utilized to reduce or stabilize the user fee charged to the Authority's fourteen direct participants. Income for these outside services was $2.5 million in 2024, an increase of $66,000 from 2023.

Grant Income in 2024 was $100,000 and represents a New Jersey Board of Public Utilities Tourism Grant to install two electric vehicle chargers that are available to the public for a fee. There was no grant income in 2023. Other Income decreased $89,000 to $1.5 million in 2024. Significant changes are explained following the chart:

				2024 - 2023	
	2024	2023	2022	$ Change	% Change
Operating Service	$1,020,974	$1,171,073	$ 836,500	$(150,099)	-13%
Rental	201,473	185,009	163,404	16,464	9%
Lab	130,459	127,041	126,889	3,418	3%
Truck Wash Revenue	33,891	22,388	20,204	11,503	51%
Solar Renewable Energy Credits	29,438	-	-	29,438	100%
Permits	22,573	8,746	11,431	13,827	158%
Miscellaneous	21,955	35,652	12,407	(13,697)	-38%
Total Other Income	**$1,460,763**	**$1,549,909**	**$1,170,836**	**$ (89,146)**	-6%

Operating service income represents pump station maintenance, repairs and parts for customers, fuel sales, grease inspections and hauling revenue. Revenue decreased $150,000 primarily due to two customers shifting work previously performed by ACUA

to their in-house teams. Rental income increased $16,000 and reflects current lease agreements with existing customers. Solar Renewable Energy Credits were sold for the first time in three years because our system's Class II credits expired in 2021. Class II credits are available for the first fifteen years a solar project is online and have significantly more value than Class I credits. Class I credits, which are earned beginning in year sixteen, have substantially lower value. The 2024 revenue reflects the sale of 959 Class I credits earned in 2022, 2023 and 2024. The remaining other income categories did not have significant changes or impacts to the overall revenue of the division.

Operating expenses decreased $44,000 from the prior year. The decrease is due to a combination of increases and decreases among significant operating items.

Significant increases were seen in Salaries, Employee Benefits, Power & Utilities, Fuel and Indirect Operating Expenses. Salaries increased $350,000 primarily due to annual salary increases. Employee Benefits increased $119,000 due to a combination of an increase of $153,000 in the cost of health and disability benefits, net of employee contributions, an increase of $31,000 in payroll taxes due to salary increases, which were offset by a $65,000 decrease in the annual pension assessment from the New Jersey Division of Pensions and Benefits. Power & Utilities increased $383,000 due to both increased usage and higher rates in 2024. Fuel increased $178,000 due to both increased usage and higher rates in 2024. Indirect Operating Expenses increased $114,000 primarily due to a major repair to a sewer vacuum truck done in 2024.

The division experienced modest increases in Administrative Expenses, Licenses & Permits and Depreciation.

Significant decreases were seen in Chemicals, Supplies & Miscellaneous Maintenance Expenses and Contractual Services. Chemicals decreased $247,000 due to a reduction in the amount of polyelectrolyte used. Operational changes were made during the year that eliminated the use of this chemical in the secondary treatment processes. Supplies & Miscellaneous Maintenance Expenses decreased $748,000, of which $451,000 are a direct result of the annual GAAP adjustment. Additionally, two pump stations required extensive repairs in 2023 that were not needed in 2024. Contractual Services decreased $306,000 primarily because 2023 expenses were unusually high. In 2023 Contractual Services increased $468,000 for additional work needed for the furnace and underwater inspections. The 2024 expenses are more typical and in-line with prior years.

Total Operating Expenses exceeded Total Operating revenues by $1,011,000.

Non-Operating Revenue/Expense, which in 2024 is comprised of County Appropriation, Interest Income, Interest Expense and Changes to Pension and OPEB Obligations resulted in $2.1 million in additional revenue as compared to 2023 which resulted in additional revenue of $3.4 million. The County Appropriation remained the same at $450,000 per division. Interest income increased $11,000 which is flat compared to 2023. Interest Expense decreased $34,000 in accordance with debt service schedules. Changes in Pension and OPEB Obligations represent over $1.3 million in additional non-cash

expense and are a function of actuarial assumptions used. Finally, there was a pension adjustment for retroactive obligations in 2023 not experienced in 2024.

The County requested $500,000 per year for five years be paid towards Economic Development initiatives to split pro-rata between Wastewater and Solid Waste. In addition, the County requested a total of $400,000 per year for five years be paid towards the National Aviation Research and Technology Park, also to be split pro-rata between Wastewater and Solid Waste. In 2024 the Wastewater Division was responsible for $450,000 of the $900,000 due for both initiatives.

Total 2024 Revenues exceeded Expenses by $1,099,059, the Net Income for the year.

Statement of Cash Flows:

The Statement of Cash Flows is used to show how changes in balance sheet accounts and income affect Cash and Cash Equivalents. There are three categories in the Statement: Operating Activities, Capital and Financing Activities and Investing Activities.

	2024	2023	2022	2024-2023 Cash Flow Incr/(Decr)	% Change
Cash Flows from Operating Activites					
Receipts from Customers and Users	$ 29,589,452	$ 28,489,771	$ 27,798,368	$ 1,099,681	4%
Payments to Employees	(9,203,597)	(8,832,171)	(8,173,312)	(371,426)	-4%
Payments to Suppliers	(18,069,631)	(19,357,665)	(14,502,059)	1,288,034	7%
Net Cash Provided by Operating Activites	2,316,224	299,935	5,122,997	2,016,289	672%
Cash Flows from Noncapital Financing Activites					
Transfers from/(to) Other Funds	1,998,676	(1,948,968)	28,139	3,947,644	203%
Cash Flows from Capital and Related Financing Activites					
Purchase of Capital Assets	(4,777,348)	(2,538,877)	(905,864)	(2,238,471)	-88%
Principal Paid on Debt	(2,129,443)	(1,870,106)	(1,818,364)	(259,337)	-14%
Interest Paid on Debt	(236,527)	(222,658)	(166,401)	(13,869)	-6%
Proceeds from Issuance of Debt	-	7,332,152	2,444,050	(7,332,152)	100%
Net Cash Used by Capital and Financing	(7,143,318)	2,700,511	(446,579)	(9,843,829)	365%
Cash Flows from Investing Activities					
Interest Income	2,752,657	2,424,796	237,102	327,861	14%
County Appropriation	(450,000)	(450,000)	(450,000)	-	0%
Transferred from/(to) Investments	14,141,085	1,218,392	(34,858,875)	12,922,693	-1061%
Net Cash Provided/(Used) by Investing Activities	16,443,742	3,193,188	(35,071,773)	13,250,554	-415%
Net Increase/(Decrease) in Cash and Cash Equivalents	13,615,324	4,244,666	(30,367,216)	9,370,658	-221%
Cash and Cash Equivalents, January 1	14,611,146	10,366,480	40,733,696	4,244,666	41%
Cash and Cash Equivalents, December 31	$ 28,226,470	$ 14,611,146	$ 10,366,480	$ 13,615,324	93%

The Operating Activities represent the revenue-generating activities of the Division and resulted in a net cash increase of $2.3 million. This is the result of payments to employees and suppliers offset by revenue cash receipts from customers.

The Capital and Financing Activities represent capital asset purchases, dispositions and loan activity for the year. These transactions resulted in a net cash decrease of $7.1 million. The division invested $4.8 million to acquire capital assets and paid over $2.3 million in principal and interest on loans. There was a long-term borrowing in 2022 for

$9.5 million, of which $7.3 million was received in January 2023. No new debt was issued in 2024.

The Investing Activities resulted in a net cash increase of $16.4 million and represents the purchase and sale of investments, interest income and contributions to county-wide initiatives. Interest income generated $2.8 million, the investment in county-wide initiatives was $450,000 as previously explained and the transfer from Cash to Investments was $14.1 million.

The Net Increase in Cash and Cash Equivalents for the 2024- year is $13,615,000 leaving a balance of $28,226,000 on December 31, 2024.

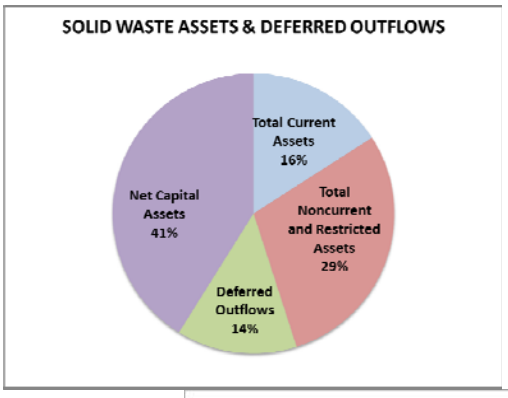
Solid Waste Division

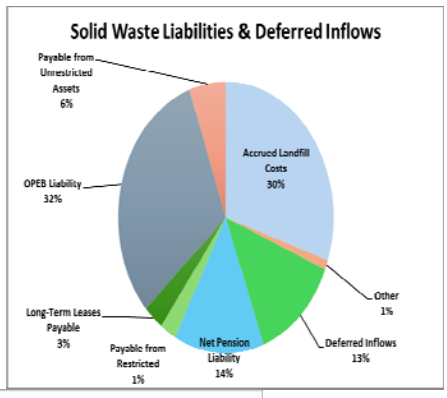
Comparative Balance Sheet

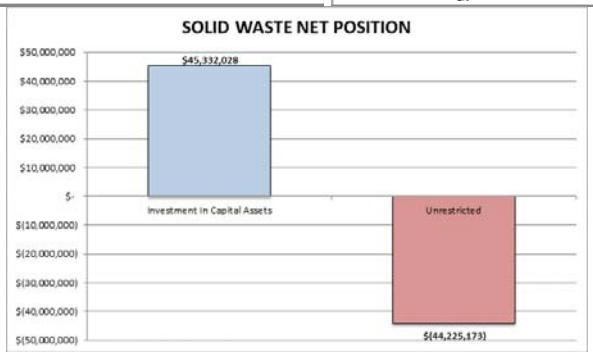
The Balance Sheet is the only financial statement that applies to a single point of time. This statement is intended to provide a snapshot of the Division's financial condition as of December 31st. The Division's Total Liabilities and Deferred Inflows exceeded Assets and Deferred Outflows by over $1.1 million, which is an increase of $1.6 million as compared to 2023 when Liabilities and Deferred Inflows exceeded Assets and Deferred Outflows by more than $523,000.

Below is a synopsis of the Solid Waste Division's 2024 Balance Sheet with a comparison to the last two years:

				2024-2023	
	2024	2023	2022	$ Change	% Change
Total Current Assets	$ 19,802,439	$ 22,317,054	$ 22,117,703	$ (2,514,615)	-11%
Total Noncurrent & Restricted Assets	36,332,873	39,603,116	36,185,055	(3,270,243)	-8%
Capital Assets, Net of Depreciation	51,237,028	39,864,764	48,997,013	11,372,264	29%
Deferred Outflow Related to Pensions & OPEB	17,204,358	17,454,466	16,832,650	(250,108)	-1%
TOTAL ASSETS & DEFERRED OUTLFOWS	124,576,698	119,239,400	124,132,421	5,337,298	4%
Total Liabilities Payable from Unrestricted Assets	$ 6,777,882	$ 6,127,488	$ 6,842,274	$ 650,394	11%
Total Liabilities Payable from Restricted Assets	3,055,167	1,706,129	2,309,920	1,349,038	79%
Total Noncurrent Liabilities Payable from Restricted	40,973,751	38,525,538	38,492,890	2,448,213	6%
Other Non-Current Liablities	56,617,173	53,002,745	53,346,352	3,614,428	7%
Total Deferred Inflows Related to Pensions & OPEB	16,045,870	20,401,022	21,148,119	(4,355,152)	-21%
TOTAL LIABILITIES & DEFERRED INFLOWS	123,469,843	119,762,922	122,139,556	3,706,921	3%
Invested in Capital Assets, Net Debt	45,332,028	36,254,764	43,282,013	9,077,264	25%
Unrestricted	(44,225,173)	(36,778,286)	(41,289,147)	(7,446,887)	20%
TOTAL NET POSITION	$ 1,106,855	$ (523,522)	$ 1,992,866	$ 1,630,377	-311%
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 124,576,698	$ 119,239,400	$ 124,132,421	$ 5,337,298	4%







The Solid Waste Division's Total Assets and Deferred Outflows are $124,577,000, an increase of $5.3 million from 2023.

Current Assets decreased $2.5 million. Cash & Investments decreased $3.7 million which is partially offset by an increase of $2.0 million in Intercompany Accounts because a deposit for $2.1 million was due to Wastewater as of December 31, 2023 and paid in January 2024. Cash also decreased because reserves were used to fund a portion of the cell wall that will be discussed in more detail below. Accrued Interest Receivable decreased $190,000 because there was less cash on hand during the year. Accounts Receivable decreased $589,000 due to timing of payments from customers.

Restricted and Noncurrent Assets decreased $3.3 million to $36.3 million. Cash and Investments decreased $3.6 million primarily due to capital funds spent in 2024 for Phase 3 of the MSE wall. The project was awarded for $18.1 million in December 2023 and construction is expected to be completed in 2025. Amounts held by the state of New Jersey increased $342,000 to $31.0 million due to required transfers for closure costs and interest income offset by withdrawals for reimbursement for Pinelands Park expenditures. Accrued Interest Receivable increased slightly to $153,000 and is mostly due to the landfill closure accounts held by the state of New Jersey.

Capital Assets increased over $17.7 million and include improvements to the landfill gas collection system, new vehicles and equipment for the landfill and collections and construction in progress for Phase 3 of the MSE wall. There were $1.2 million in equipment and vehicle assets taken out of service during the year and sold on GovDeals.com. Accumulated Depreciation is $153.7 million, an increase of $6.4 million from 2023. Depreciation Expense decreased $3.7 million to $7.6 million in 2024 because

only a half year of depreciation on Phase 2 of the MSE wall was recognized in 2024 compared to a full year taken in 2023. The difference between the two years is $3.8 million. Depreciation is calculated straight line over the life of the asset with a half year of depreciation taken in the first and last years of an asset's life.

Deferred Outflows Related to Pensions decreased $753,000 to $1.1 million. The decrease is primarily due to the actuarial assumptions used to calculate pension obligations. Deferred Outflows Related to OPEB increased $503,000 to $16.1 million also due to the actuarial assumptions used to calculate OPEB obligations.

Total Liabilities and Deferred Inflows increased $3.7 million to $123.5 million. Current Liabilities Payable from Unrestricted Assets increased $650,000 and 11%. Accounts Payable & Accrued Expenses increased $429,000 primarily due to the timing of payments made to vendors and because the GAAP adjustment for 2024 resulted in an increase in Accounts Payable of $130,000. Customer Deposits represent cash on deposit for customers to draw down as they use services. Customer Deposits increased $266,000 because a landfill amendment customer put $300,000 on account in December 2024. Pension Payable decreased $44,000 to $2,545,000 and represents the amount owed to the New Jersey Public Employee's Retirement System for the current year.

Current Liabilities Payable from Restricted Assets consists of Lease Payable, Construction Contracts Payable and Accrued Interest Payable. Construction Contracts Payable represents the amount owed to vendors for the portion of capital projects and purchases that were complete but not yet paid as of December 31, 2024. There was $878,000 due in 2024 whereas there was $272,000 due in 2023. The increase is due to amounts owed for Phase 3 of the MSE wall.

The Authority has four capital leases for the purchase of vehicles and equipment. There are $5.9 million in leases payable as of December 31, 2024, an increase of $2.3 million. A new lease was entered into in 2024 for $3.7 million offset by $1.4 million in lease payments. Accrued Interest in the amount of $33,000 is $3,000 more than 2023 in accordance with lease repayment schedules.

Accrued Landfill Closure and Post-Closure costs increased $893,000. The ACUA owns two landfills, the active ACUA landfill and the closed Pinelands Park Landfill that was acquired by ACUA in 2012. The ACUA closure liability is calculated by the Authority's consulting engineer and includes total costs for closure and post-closure care of $25.1 million, an increase of $1.7 million from 2023. The PPL Closure Liability is $12.1 million and decreased $812,000 due to closure expenses incurred in 2024 which are partially offset by interest income earned in the escrow accounts.

The amount accrued for ACUA's landfill is in accordance with the consulting Engineer's findings as reported. Total anticipated closure cost as of December 31, 2024 is $25,132,000. The percent of cumulative landfill capacity utilized as of December 31, 2024, according to the consulting engineer report is 86.0%, up from 82.6% in 2023. This increase is the result of 330,000 current year tons of waste accepted, plus 178,000 tons of

associated cover material used and buried in the landfill. The Authority's independent consulting engineer performs the necessary calculation to determine the estimated liability in accordance with provisions of Statement No. 18 of the Government Accounting Standards Board, Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs.

The Pinelands Park Landfill Post-Closure Costs assumed are $12.1 million and are fully funded. The ACUA Landfill Post-Closure Costs are estimated to be $25.1 million and $13.8 million is funded. Both are shown in the Noncurrent Assets of the Authority.

Accrued Absences increased $44,000 to $620,000 which represents the value associated with vacation and compensatory time earned by employees. Other Non-Current Liabilities include an accrual for expected future Post Retirement Benefit costs in the amount of $800,000. This balance represents additional funds set aside by the Authority for Other Post-Employment Benefits.

The Net Pension Liability is required as part of the implementation of GASB 68 and represents an actuarial estimate of the current liability for future pension expenses. The Net Pension Liability decreased $1.7 million and 9% to $16.7 million in 2024. The Authority's proportionate share of the plan's Net Pension Liablity decreased 2.8% which is why the liability decreased. The actuarial assumptions to calculate the obligation remained almost the same in 2024. The OPEB Liability is required as part of the implementation of GASB 75 and represents an actuarial estimate of the current liability for future post-employment benefits for retirees. The liability is $38.2 million and increased $5.3 million from 2023. The increase is almost entirely attributable to actuarial assumptions used because the Authority's allocation percentage decreased 2.81% in 2024.

Deferred Inflows Related to Pensions increased $241,000 and Deferred Inflows Related to OPEB decreased $4.6 million due to changes in actuarial assumptions used to calculate pension and OPEB obligations.

The Division's Net Position of $1,106,855 is comprised of the following:

(1) Capital Assets are $45,332,028 and include Property, Plant and Equipment, net of Accumulated Depreciation.

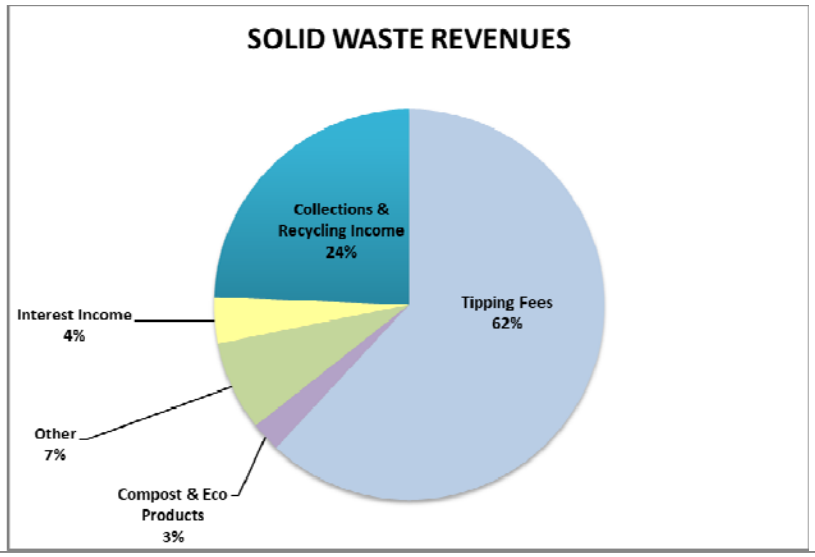
(2) Unrestricted Net Position decreased $7.4 million to negative $44,225,173 and represents the Net Position available to maintain the Authority's continuing obligations to the Authority's service area, certain creditors, current liabilities and other post-employment benefits. Also reflected in the balance are the financial impacts of the implementation of GASB 68 and GASB 75.

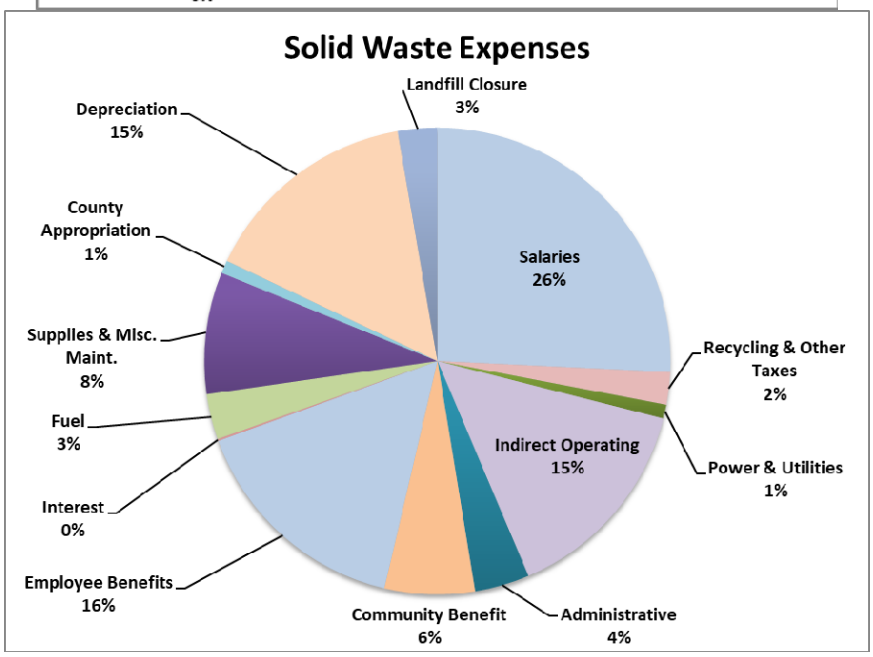
Comparative Statement of Revenues, Expenses, and Changes in Net Position

This financial statement is commonly referred to as the Income Statement and summarizes the Division's Revenue and Expenditures for the year. This financial statement provides valuable insight into both operating and non-operating performance and is most useful when compared to prior periods of performance. Net income for the year was $1.6 million, an increase of $4.1 million from 2023.

Below is a synopsis of the Solid Waste Division's 2024 Statement of Revenues, Expenses and Changes in Net Position with a comparison to the last two years:

				2024-2023	
SW Revenue	**2024**	**2023**	**2022**	**$ Change**	**% Change**
Tipping Fee	$ 31,972,139	$ 30,462,001	$ 28,156,364	$ 1,510,138	5%
Collections & Recycling	12,607,870	14,278,253	14,400,030	(1,670,383)	-12%
Grant Income	2,099,900	517,680	446,646	1,582,220	306%
Composting & Eco Product Income	1,266,663	1,253,407	1,227,097	13,256	1%
Other	1,652,312	1,440,578	1,554,581	211,734	15%
Total Revenue	49,598,884	47,951,919	45,784,718	1,646,965	3%
SW Operating Expenses					
Salaries	12,923,577	13,105,567	13,295,844	(181,990)	-1%
Employee Benefits	7,918,104	7,809,457	7,363,143	108,647	1%
Power & Utilities	481,781	492,562	459,468	(10,781)	-2%
Fuel	1,581,937	1,723,467	2,091,630	(141,530)	-8%
Supplies & Miscellaneous Maintenance	4,232,572	3,783,216	4,021,905	449,356	12%
Indirect Operating Expenses	7,351,174	8,354,537	7,439,271	(1,003,363)	-12%
Administrative	1,905,480	1,341,915	1,290,185	563,565	42%
Host Community Benefit Fee	3,135,809	3,086,646	2,899,753	49,163	2%
Recycling & Other Taxes	1,126,831	1,152,963	1,170,604	(26,132)	-2%
Depreciation	7,625,417	11,355,582	7,691,237	(3,730,165)	-33%
Total Operating Expenses	48,282,683	52,205,912	47,723,040	(3,923,229)	-8%
Operating Income	1,316,201	(4,253,993)	(1,938,322)	5,570,194	-131%
SW Non-Operating Revenue/(Expenses)					
County Appropriation	(450,000)	(450,000)	(450,000)	-	0%
Interest Income	1,965,610	1,769,876	505,862	195,734	11%
Interest Expense	(66,489)	(96,217)	(114,661)	29,728	31%
Change in Pension Obligation	372,101	1,730,429	(460,931)	(1,358,328)	-78%
Change in OPEB Obligation	(204,884)	337,797	696,370	(542,681)	-161%
Gain on Sale of Fixed Asset	71,500	19,000	20,580	52,500	276%
Adjustment to landfill closure and post-closure care cost	(1,373,662)	(1,567,057)	(736,476)	193,395	12%
Pension Adjustment	-	(6,222)	-	6,222	100%
Total Non-Operating Revenue/(Expenses)	314,176	1,737,606	(539,256)	(1,423,430)	82%
NET INCOME	$ 1,630,377	$ (2,516,387)	$ (2,477,578)	$ 4,146,764	-165%





Tip Fees increased $1.5 million and 5% primarily due to a 3.5% increase in fees budgeted for 2024 coupled with increased tons received in 2024. Recycling market revenue and revenue from collection contracts decreased $1.7 and 12%. The Authority's collection contract with the City of Vineland terminated in 2023 and represents approximately $2 million of this decrease. Grant income increased $1.6 million and includes a $1.6 million Covid overtime grant from the State of New Jersey's ARPA funds. An additional $520,000 is anticipated to be received in 2025 for this same program. Compost and Eco Product income remained consistent at over $1.2 million. Other Income increased $212,000 due to several factors as shown below. The only significant change is an increase in insurance reimbursements which are unique to the year the incidents occurred with 2024 having significantly more activity than 2023.

	2024	2023	2022	2024 - 2023 $ Change	2024 - 2023 % Change
Rental Income	$ 290,135	$ 275,859	$ 270,450	$ 14,276	5%
PPL Reimbursement	262,863	253,169	247,322	9,694	4%
CNG Tax Rebate	219,697	230,969	207,089	(11,272)	-5%
Insurance Reimbursements	214,875	33,224	90,528	181,651	547%
Clean Energy/CNG Revenue	209,552	193,228	261,653	16,324	8%
Landfill Gas to Energy	206,452	205,221	204,003	1,231	1%
Fuel Sales	133,590	152,072	167,556	(18,482)	-12%
Miscellaneous	115,148	96,836	66,915	18,312	19%
FEMA Reimbursement	-	-	39,065	-	0%
Total Other Income	**$ 1,652,312**	**$ 1,440,578**	**$ 1,554,581**	**$ 211,735**	**15%**

Clean Energy built the Authority's CNG station and provides billing and operations and maintenance for the station. The CNG IRS Tax Rebate is equal to $0.50 per gallon equivalent CNG dispensed from the Authority's CNG station. Clean Energy/CNG Revenue represents CNG fuel sales to outside parties. The ACUA has a partnership with AC Landfill Energy, LLC for a Landfill Gas to Energy (LFG) project that converted methane from the landfill to electricity. The project has been shut down to make way for a new project that will convert landfill gas to renewable natural gas (RNG). The RNG project is expected to become operational in 2025. AC Landfill Energy compensated ACUA $206,000 in rent and other income in 2024 while the RNG project is being developed. Previously the agreement had a rent and revenue share component when the project was in operation.

Operating Expenses decreased $3.9 million which is the net result of increases and decreases among significant operating items.

Employee Benefits, Supplies & Miscellaneous Maintenance and Administrative Expenses experienced significant increases. Employee Benefits increased $109,000 primarily due to an increase of $228,000 in the cost of health and worker's compensation benefits, net of employee contributions, and a decrease of $82,000 in the annual pension assessment from the New Jersey Division of Pensions and Benefits and a decrease of $44,000 in payroll taxes due to lower Salary expense in 2024. Supplies & Miscellaneous Maintenance increased $449,000 due to additional spending on the landfill to control odors and due to a 23% increase in the cost of tires as compared to 2023. The landfill experienced significant odors in 2023 and 2024 that required substantial investment. Administrative Expenses increased $564,000 primarily due to increased legal expenses to address a lawsuit. Host Community Benefit had a modest increase.

Salaries, Fuel, Indirect Operating and Depreciation Expenses had significant decreases. Salaries decreased $182,000 primarily due to reduced overtime expenses in 2024 combined with annual increases. In 2022 and 2023 employee shortages related to Covid-19 required significant overtime, especially in collections, which curtailed significantly in 2024. Fuel decreased $142,000 because of significant price increases in fuel costs in 2022

and 2023 related to Covid-19 that came down in 2024. Indirect Operating decreased $1 million due primarily to a decrease of $978,000 to haul recyclables. The contract to haul recyclables went out to bid and resulted in a 25% per ton rate decrease. Cover material also decreased $190,000 because more landfill amendment was used during 2024. These decreases are offset by increased spending on landfill odor control. Depreciation decreased $3.7 million because a full year of depreciation was taken on Phase 2 of the MSW wall in 2023 and half year was taken in 2024, a decrease of $3.8 million. Power & Utilities and Recycling & Other Taxes had modest decreases.

Total Operating Revenue exceeded Total Operating Expenses resulting in operating income of $1.3 million as compared to an operating loss of $4.3 million in 2023, an improvement of $5.6 million.

Total Net Non-Operating Income is $314,000 in 2024 compared $1.7 million in 2023, a decrease of $1.4 million.

The County requested $500,000 per year for five years be paid towards Economic Development initiatives to be split pro-rata between Wastewater and Solid Waste. In addition, the County requested a total of $400,000 per year for five years be paid towards the National Aviation Research and Technology Park, also to be split pro-rata between Wastewater and Solid Waste. In 2024 the Solid Waste Division was responsible for $450,000 of the $900,000 due for both initiatives.

Interest Income increased $196,000 due to a combination of higher interest rates coupled with more cash on hand to pay for the contract awarded in December 2023 for Phase III of the MSE wall. Interest Expense decreased $30,000 and is related to the four capital leases for the purchase of vehicles and equipment between 2018 and 2024. Changes in Pension and OPEB Obligations were $2.1 million in revenue in 2023 compared to $167,000 in 2024, a decrease of over $1.9 million. The decrease is a function of actuarial assumptions used. Gain on Sale of fixed assets is $71,500 and is unique to the surplus equipment sold in any given year. The Adjustment to Landfill Closure and Post-Closure Care Cost represents the charge necessary to bring the Landfill Closure Liability up to the estimated amount in the annual engineer's report. The adjustment was $1.4 million for 2024 as compared to $1.6 million in 2023. Finally, there was a pension adjustment for retroactive obligations in 2023 not experienced in 2024.

Net Income for 2024 is $1.6 million which is $4.1 million higher than 2023. Net income, if available, normally funds the capital improvements of the Authority which include the construction of new cells, the purchase of collection vehicles and other equipment, infrastructure improvements and landfill closure responsibilities.

Statement of Cash Flows

The Statement of Cash Flows is used to show how changes in balance sheet accounts and income affect Cash and Cash Equivalents. There are three categories in the Statement: Operating Activities, Capital and Financing Activities and Investing Activities.

	2024	2023	2022	2024-2023 $ Change	2024-2023 % Change
Cash Flows from Operating Activites					
Receipts from Customers and Users	$ 50,453,567	$ 48,195,539	$ 44,821,245	$ 2,258,028	5%
Payments to Employees	(12,879,903)	(13,087,347)	(13,295,844)	207,444	2%
Payments to Suppliers	(27,085,463)	(28,492,697)	(25,767,396)	1,407,234	5%
Net Cash Provided by Operating Activites	10,488,201	6,615,495	5,758,005	3,872,706	59%
Cash Flows from Noncapital Financing Activites					
Transfers (to)/from Other Funds	(1,998,676)	1,948,968	(28,139)	(3,947,644)	-203%
Cash Flows from Capital and Related Financing Activites					
Purchase of Capital Assets	(18,997,682)	(1,643,064)	696,370	(17,354,618)	-1056%
Capital Lease Payments	(1,405,000)	(2,105,000)	(1,705,000)	700,000	33%
Interest Paid on Debt	(63,236)	(115,227)	(94,890)	51,991	45%
Gain on Sale of Fixed Assets	71,500	19,000	20,580	52,500	276%
Net Cash Used by Capital and Financing	(20,394,418)	(3,844,291)	(1,082,940)	(16,550,127)	-431%
Cash Flows from Investing Activites					
Interest Income	2,146,359	1,679,310	376,307	467,049	28%
County Appropriation	(450,000)	(450,000)	(450,000)	-	0%
Transferred from Investments	17,930,430	(4,664,932)	(12,233,818)	22,595,362	484%
Net Cash Provided/(Used) by Investing Activities	19,626,789	(3,435,622)	(12,307,511)	23,062,411	671%
Net Increase (decrease) in Cash and Cash Equivalents	7,721,896	1,284,550	(7,660,585)	6,437,346	-501%
Cash and Cash Equivalents, January 1	10,575,429	9,290,879	7,721,896	1,284,550	14%
Cash and Cash Equivalents, December 31	$ 18,297,325	$ 10,575,429	$ 61,311	$ 7,721,896	73%

The Operating Activities represent the revenue-generating activities of the Division and resulted in a net cash increase of $10.4 million, $3.9 million more than 2023. Receipts from Customers increased $2.3 million, Payments to Employees decreased $207,000 and Payments to Suppliers decreased $1.4 million.

The Capital and Financing Activities represent capital asset purchases, dispositions and loan activity for the year. These transactions resulted in a net cash decrease of $20.4 million. The division invested $19.0 million to acquire capital assets in 2024. Lease Payments totaled $1.5 million and there was a gain on the disposition of assets of $71,500 in 2024.

The Investing Activities represent the purchase and sale of investments, interest income and contributions to county-wide initiatives. Interest income generated $2.1 million in 2024, $467,000 more than 2023 because there was more cash available due to saving for Phase III of the MSE wall and because rates remained strong during the year. The investment in county-wide initiatives remained the same at $450,000. $17.9 million was transferred from Investments to Cash to pay for capital additions in 2024.

The Net Increase in Cash and Cash Equivalents in 2024 is $7,722,000 leaving a balance of $18,297,000 on December 31, 2024.

Core Competencies

Wastewater Division

The Wastewater Division provides wastewater conveyance and treatment (the System) under contracts with 14 municipalities, authorities and state-regulated public utilities within Atlantic County (collectively, the Participants). The System consists of a wastewater treatment plant, a wastewater collection system of approximately 60 miles of gravity interceptor and force mains, 20 pumping stations and an ocean outfall line discharging into the Atlantic Ocean through a diffuser system. The wastewater treatment plant provides primary and secondary wastewater treatment and is situated on about 300 acres located on the western outskirts of Atlantic City, NJ. The treatment plant has a capacity of 40 million gallons per day. The Atlantic County Utilities Authority owns and operates the regional piping and pumping systems that receive, meter, and transport the municipal wastewater to the Authority's Regional Plant on City Island for treatment and discharge.

The User Fee charged to the fourteen Participants is the main source of revenue for the Wastewater Division. This is shown on the Comparative Statement of Revenues, Expenses and Changes in Net Position as "User Service Agreements: Operating and General" and reported as Operating Revenues. Other services provided include sludge, septage, and scum disposal, representing the next primary source of revenue to the Authority after User Fees. Lab services, such as water testing, are provided as needed for other governmental entities as well as private businesses. The Wastewater Division also provides certain maintenance services on a contractual basis for a local municipal utility and other governmental agencies.

Solid Waste Division

In 1981 the Authority was designated by the Board of Chosen Freeholders of Atlantic County as the implementing agency for the County Solid Waste Management Plan, thereby empowering the division as the implementing agency to plan, design, construct and acquire all facilities for the implementation of a County-wide solid waste management program. The Atlantic County Utilities Authority operates an extensive solid waste management system that consists of a transfer station, landfill, recycling center, composting facility, and maintenance center. In addition, the ACUA has a partnership with the Cumberland County Improvement Authority where an off-site location exists for ACUA staff and vehicles needed for the performance of collection service contracts for municipalities within Cumberland County.

Tip fees are the primary source of income for the Solid Waste Division. Atlantic County has Flow Control which means all waste generated in Atlantic County must be processed at the ACUA. Waste brought to the ACUA includes municipal, commercial, construction,

and industrial waste. In 2024 approximately 330,000 tons of waste came in compared to approximately 327,000 tons in 2023.

Collection of municipal solid waste, bulk waste and yard waste is also provided to municipalities who elect to contract with the Authority for such services. Collection contracts are the second highest revenue stream for the Authority. Recycling collection is provided to twenty-three municipalities, trash collection is provided to nineteen municipalities and yard waste collection services are provided to nine municipalities in and around Atlantic County. Approximately 35,000 tons of recyclable materials were collected in 2024 as compared to 37,000 in 2023.

The Authority's compost operation processes leaves, grass clippings, tree branches, clean wood, brush and Christmas trees. In 2023, 31,000 tons of yard waste were processed as compared to 28,000 in 2023. The branches, brush, and trees are processed into EcoSoil and sold to the public, providing additional income to support the Solid Waste system.

Centralized Maintenance

The ACUA has a 17,000 square foot Maintenance Center where a fleet of over 147 vehicles and 34 pieces of specialized heavy equipment are maintained and serviced. In addition to a CNG fueling station open to the public, the Authority now has 64 CNG refuse collection trucks, 6 CNG roll off trucks, 9 CNG utility trucks, a CNG street sweeper, a CNG sewer cleaning truck, a CNG water truck, 6 CNG Crane trucks and 13 bi-fuel trucks in its fleet.

Accountability

The Atlantic County Utilities Authority's mission statement is:

"The Atlantic County Utilities Authority is responsible for enhancing the quality of life through the protection of waters and lands from pollution by providing responsible waste management services. The Authority is an environmental leader and will continue to use new technologies, innovations and employee ideas to provide the highest quality and most cost effective environmental services."

The Authority's accountability, first and foremost, is to protect the environment. The goal is to provide a cost effective and reliable service, and at the same time to protect the environment. Equally important to the Authority are the ACUA's ratepayers, customers, the local governments, agencies and people served, and the employees of the ACUA. Excellent customer service is a top priority. Fair and reasonable fees is another top priority. Excellent employee relations and striving to be "a best place to work" is another priority. Embracing technology and innovation is high on the ACUA's list of objectives, as is community service, volunteering, and fundraising for community causes.

As an environmental utility, the Authority is also guided by and accountable to state government and the applicable rules and regulations that govern the Atlantic County

Utilities Authority. The Authority is financially accountable to the Department of Community Affairs, Division of Local Government Services. As an environmental utility, the Authority is accountable to the U.S Environmental Protection Agency and the New Jersey Department of Environmental Protection.

The Atlantic County Utilities Authority is accountable to the governing body of the Authority, the Atlantic County Utilities Authority Board of Commissioners, and as such, accountable to other government officials.

Governing Body

The governing body of the Atlantic County Utilities Authority consists of a seven-member board that is appointed for five-year terms by the County Executive, with the advice and consent of the Commissioners. The County Executive is a non-voting, ex-officio member of the Authority.

Actions taken at the meetings of the Authority are not effective until approved by the County Executive or until ten days after the minutes of the meeting of the Authority Board have been delivered to the County Executive.

The Authority Board Members as of December 31, 2024 were:

Marvin E. Embry, Chairman
Fred Akers, Vice Chairman
Laura Pfrommer, Treasurer
Maria Mento, Assistant Treasurer
Andrew G. Berenato III, Member
Frank Formica, Member
Judy Ward, Member

Dennis Levinson, County Executive, Ex Officio

Management of the Authority

Matthew DeNafo, President
Linda Bazemore, Senior VP of Administration and Finance/CFO
Gary Conover, VP – Solid Waste Division
Joseph Pantalone, VP – Wastewater Division
Thomas Ganard, Chief Engineer
James Rocco, VP of Centralized Maintenance and Asset Management

Funding of Infrastructure and Debt Management

It is the current policy of the Atlantic County Utilities Authority Board of Commissioners and President that funding for capital improvements, additions or replacements, is to be accomplished using one or more of the following methods:

Borrowings from the New Jersey Infrastructure Bank
Capital Lease Purchases
Lease with Option to Purchase Financing
Funding incrementally or annually from the Operating Budget

Auditors

The Authority has a policy of changing Auditors every 3 to 5 years to encourage any new or fresh reviews of the Atlantic County Utilities Authority financial operations and reporting of financial status, and to eliminate any perceived or potential conflicts of interest that may develop due to long-term relationships.

Prior audits and additional information can be obtained by contacting the Atlantic County Utilities Authority or on the web site at www.acua.com.

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BASIC FINANCIAL STATEMENTS

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Exhibit A

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2024 AND 2023

	2024			
	Wastewater Division	Solid Waste Division	Total	2023
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 19,294,972	$ 13,111,787	$ 32,406,759	$ 9,174,484
Investments	22,290,761	1,276,021	23,566,782	45,315,991
Accrued Interest Receivable	267,293	20,683	287,976	619,878
Accounts Receivable (net of Allowance $63,615 and $63,615 in 2024 and 2023 respectively	1,142,695	4,471,241	5,613,936	5,914,737
Accounts Receivable - other	155,290	272,391	427,681	605,585
Internal Accounts	(650,316)	650,316	-	-
Total Current Assets	42,500,695	19,802,439	62,303,134	61,630,675
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	8,931,498	5,185,538	14,117,036	16,012,091
Investments	3,047,933	-	3,047,933	10,377,625
Amounts Held by State of New Jersey		30,994,353	30,994,353	30,652,103
Accrued Interest Receivable	17,479	152,982	170,461	168,825
Loans Receivable	-		-	-
Total Noncurrent Assets	11,996,910	36,332,873	48,329,783	57,210,644
Capital Assets:				
Property, Plant and Equipment	263,637,631	204,891,910	468,529,541	445,978,624
Less: Accumulated Depreciation	(197,549,651)	(153,654,882)	(351,204,533)	(341,381,286)
Net Capital Assets	66,087,980	51,237,028	117,325,008	104,597,338
TOTAL ASSETS	120,585,585	107,372,340	227,957,925	223,438,657
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	849,304	1,125,822	1,975,126	3,273,840
Deferred outflows related to OPEB	16,078,537	16,078,536	32,157,073	31,151,875
Total deferred outflows of resources	16,927,841	17,204,358	34,132,199	34,425,715
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURSES	$ 137,513,426	$ 124,576,698	$ 262,090,124	$ 257,864,372

Exhibit A

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2024 AND 2023

	2024			
	Wastewater Division	Solid Waste Division	Total	2023
LIABILITIES				
Current Liabilities Payable from Current Assets:				
Accounts Payable	$ 2,813,979	$ 3,672,363	$ 6,486,342	$ 5,856,337
Customer Deposits	-	560,929	560,929	295,226
Pension Payable	1,919,989	2,544,590	4,464,579	4,511,624
Total Current Liabilities Payable from Current Assets	4,733,968	6,777,882	11,511,850	10,663,187
Current Liabilities Payable from Restricted Assets:				
Construction Contracts Payable	102,194	877,532	979,726	571,824
Deferred Revenue	20,912		20,912	30,776
Current Portion of Long - Term Bonds (net of NJIB credits)	1,727,086	-	1,727,086	1,994,565
Current Portion of Long - Term Leases	-	2,145,000	2,145,000	1,405,000
Accrued Interest	88,279	32,635	120,914	127,935
Total Current Liabilities Payable from Restricted Assets:	1,938,471	3,055,167	4,993,638	4,130,100
Noncurrent Liabilities Payable from Restricted Assets:				
Long - Term Portion of Bonds Payable (net of NJIB Credits)	17,359,886	-	17,359,886	19,086,971
Long - Term portion of Leases Payable	-	3,760,000	3,760,000	2,205,000
Accrued Landfill Closure and Post - Closure Care Cost	-	37,213,751	37,213,751	36,320,538
Total Noncurrent Liabilities payable from Restricted Assets	17,359,886	40,973,751	58,333,637	57,612,509
Noncurrent Liabilities:				
Deferred Revenue	83,190		83,190	104,103
Accrued Compensated Absences	448,066	619,614	1,067,680	1,009,153
Post Retirement Benefits Payable	535,019	800,000	1,335,019	1,335,019
Net Pension Liability	12,570,792	16,663,608	29,234,400	32,061,562
Net OPEB Liability	38,533,951	38,533,951	77,067,902	66,459,762
Total Noncurrent Liabilities	52,171,018	56,617,173	108,788,191	100,969,599
TOTAL LIABILITIES	$ 76,203,343	$ 107,423,973	$ 183,627,316	$ 173,375,395
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	1,090,965	1,446,162	2,537,127	2,099,559
Deferred inflows related to OPEB	14,599,709	14,599,708	29,199,417	38,392,590
Total deferred outflows of resources	15,690,674	16,045,870	31,736,544	40,492,149
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURSES	91,894,017	123,469,843	215,363,860	213,867,544

Exhibit A

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2024 AND 2023

	2024			
NET POSITION	**Wastewater Division**	**Solid Waste Division**	**Total**	**2023**
Investment in Capital Assets, Net of Related Debt	$ 46,896,906	$ 45,332,028	$ 92,228,934	$ 79,770,923
Restricted for:				
Wastewater:				
Renewal and Replacement	7,000,000		7,000,000	7,000,000
Debt Service Fund	518,513		518,513	576,691
Debt Service Reserve Fund	-		-	287,207
Unrestricted	(8,796,010)	(44,225,173)	(53,021,183)	(43,637,993)
TOTAL NET POSITION	45,619,409	1,106,855	46,726,264	43,996,828
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 137,513,426	$ 124,576,698	$ 262,090,124	$ 257,864,372

Exhibit B

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			
	Wastewater Division	Solid Waste Division	Total	2023
Operating Revenues:				
Wastewater				
User Service Agreements:				
Operating	$ 23,362,255	$	$ 23,362,255	$ 23,028,924
General	2,261,867		2,261,867	2,092,764
Sludge	1,976,170		1,976,170	2,006,142
Septage and Leachate	538,672		538,672	442,860
Grant Income	100,000		100,000	-
Other	1,460,763		1,460,763	1,549,909
Solid Waste				
Tipping Fees		31,972,139	31,972,139	30,462,001
Collections and Recycling Income		12,607,870	12,607,870	14,278,253
Grant Income		2,099,900	2,099,900	517,680
Composting Income		1,266,663	1,266,663	1,253,407
Other		1,652,312	1,652,312	1,440,578
Total Operating Revenues	29,699,727	49,598,884	79,298,611	77,072,518
Operating Expenses:				
Salaries	9,218,450	12,923,577	22,142,027	21,974,311
Employee Benefits	5,677,787	7,918,104	13,595,891	13,368,693
Power and Utilities	3,061,209	481,781	3,542,990	3,170,843
Chemicals	1,274,025		1,274,025	1,521,412
Fuel	1,611,897	1,581,937	3,193,834	3,157,797
Supplies and Miscellaneous Maintenance	1,938,613	4,232,573	6,171,186	6,469,749
Contractual Services	1,246,484		1,246,484	1,552,643
Indirect Operating Expenses	1,023,376	7,351,174	8,374,550	9,263,638
Administrative	2,051,895	1,905,480	3,957,375	3,310,225
Community Benefit		3,135,809	3,135,809	3,086,646
Recycling and Other Taxes		1,126,831	1,126,831	1,152,963
Licenses and Permits	184,731		184,731	181,714
Depreciation	3,421,942	7,625,417	11,047,359	14,749,251
Total Operating Expenses	30,710,409	48,282,683	78,993,092	82,959,885
Operating Income	(1,010,682)	1,316,201	305,519	(5,887,367)
Non - Operating Revenues / (Expenses):				
County Appropriation	(450,000)	(450,000)	(900,000)	(900,000)
Interest Income	2,603,140	1,965,610	4,568,750	4,361,761
Interest Expense	(226,253)	(66,489)	(292,742)	(356,427)
Change in Pension obligation	387,739	372,101	759,840	2,892,682
Change in OPEB obligation	(204,885)	(204,884)	(409,769)	675,594
Gain on sale of fixed assets		71,500	71,500	19,000
Adjustment to landfill closure and post closure cost		(1,373,662)	(1,373,662)	(1,567,057)
Pension Adjustment	-	-	-	(10,604)
Total Non - Operating Revenues / (Expenses)	2,109,741	314,176	2,423,917	5,114,949
Net Income / (Loss)	1,099,059	1,630,377	2,729,436	(772,418)
Net Position (Deficit), January 1	44,520,350	(523,522)	43,996,828	44,769,246
Net Position (Deficit), December 31	$ 45,619,409	$ 1,106,855	$ 46,726,264	$ 43,996,828

Exhibit C

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			
	Wastewater Division	Solid Waste Division	Total	2023
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers and Users	$ 29,589,452	$ 50,453,567	$ 80,043,019	$ 76,685,310
Payments to Employees	(9,203,597)	(12,879,903)	(22,083,500)	(21,919,518)
Payments to Suppliers	(18,069,631)	(27,085,463)	(45,155,094)	(47,850,362)
Net Cash Provided by Operating Activities	2,316,224	10,488,201	12,804,425	6,915,430
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating Subsidies and Transfers	1,998,676	(1,998,676)	-	-
to Other Funds	1,998,676	(1,998,676)	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets	(4,777,348)	(18,997,682)	(23,775,030)	(4,181,941)
Principal Paid on Capital Debt	(2,129,443)		(2,129,443)	(1,870,106)
Proceeds of Capital Debt	-	-	-	7,332,152
Capital lease payments		(1,405,000)	(1,405,000)	(2,105,000)
Interest Paid on Capital Debt	(236,527)	(63,236)	(299,763)	(337,885)
Gain on sale of fixed assets		71,500	71,500	19,000
Net Cash (Used) by Capital and Related Financing Activities	(7,143,318)	(20,394,418)	(27,537,736)	(1,143,780)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Income	2,752,657	2,146,359	4,899,016	4,104,106
County Appropriation	(450,000)	(450,000)	(900,000)	(900,000)
Transferred from/(to) Investments	14,141,085	17,930,430	32,071,515	(3,446,540)
Net Cash Provided (Used) by Investing Activities	16,443,742	19,626,789	36,070,531	(242,434)
Net Increase (decrease) in Cash and Cash Equivalents	13,615,324	7,721,896	21,337,220	5,529,216
Cash and Cash Equivalents, January 1	14,611,146	10,575,429	25,186,575	19,657,359
Cash and Cash Equivalents, December 31	$ 28,226,470	$ 18,297,325	$ 46,523,795	$ 25,186,575
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income	$ (1,010,682)	$ 1,316,201	$ 305,519	$ (5,887,367)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	3,421,942	7,625,417	11,047,359	14,749,251
(Increase) Decreases in Accounts Receivable	(110,275)	588,980	478,705	(682,434)
Increase (Decrease) in:				
Accounts and Other Payables	386	990,476	990,862	(1,485,316)
Accrued Compensated Absences	14,853	43,674	58,527	54,793
Customer Deposits		265,703	265,703	295,226
Amounts Held by the State		(342,250)	(342,250)	(128,723)
	$ 2,316,224	$ 10,488,201	$ 12,804,425	$ 6,915,430
Unrestricted Cash and Cash Equivalents	$ 19,294,972	$ 13,111,787	$ 32,406,759	$ 9,174,484
Restricted Cash and Cash Equivalents	8,931,498	5,185,538	14,117,036	16,012,091
	$ 28,226,470	$ 18,297,325	$ 46,523,795	$ 25,186,575

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NOTES TO FINANCIAL STATEMENTS

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1. GENERAL

The Atlantic County Utilities Authority (the "Authority") is a public body corporate and politic of the State of New Jersey and was organized as a sewerage authority having the name "The Atlantic County Sewerage Authority" by a resolution of County Commissioners (formally the Board of Chosen Freeholders) of the County of Atlantic (the "County") adopted on May 14, 1969, pursuant to the New Jersey Sewerage Authorities Law of 1946 and a Regional Sewerage Feasibility Study recommending division of the County into regions on the basis of natural drainage features. On August 19, 1981, the Freeholders filed with the State an ordinance reorganizing the Authority as a county authority pursuant to the New Jersey Municipal and County Utilities Authorities Law, Chapter 183 of the Laws of 1957 of the State of New Jersey, as amended and supplemented, and changed the Authority's name to "Atlantic County Utilities Authority". By such reorganization, the Act largely superseded the 1946 Act as the Authority's governing legislation.

The Authority was created for the purpose, among other things, of acquiring, constructing, maintaining, and operating sewage facilities (the "Wastewater System") for the relief from pollution or threatened pollution of the waters, bordering, or entering the areas within the territorial boundaries of the County and for the improvement of conditions affecting the public health. The Authority's Wastewater Division operates the Wastewater System. In 1986, the Authority was designated by Atlantic County as its implementing agency for solid waste management pursuant to the Solid Waste Management Act of the State of New Jersey. The Solid Waste Division operates a regional landfill, transfer station, recycling processing, composting site, and collection operations.

The Solid Waste and Wastewater Divisions are separate and distinct for ratemaking and operating purposes. Accordingly, the holders of bonds or notes of each division have no claims on the revenues or assets of the other Division.

The Solid Waste Division commenced operations in August of 1990 with the opening of a transfer station for waste disposal. The Solid Waste Division's recycling activities were still considered to be in a construction state as of December 31, 1991. Recycling operations commenced January 1, 1992, the date when recycling activities were initially included in rates charged to customers.

In the opinion of management, revenues of the Wastewater and Solid Waste Divisions are adequate to cover all operating expenses, debt service and current capital costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies:

A. Basis of Financial Statements

The financial statements of the Authority have been prepared on a full accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The Authority's financial statements include the accounts of all operations of the Authority. The Authority, as a component unit of the County of Atlantic, State of New Jersey, is financially accountable to the County. As set forth in Government Accounting Standards Board (GASB) 14, as amended by GASB 61, financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The Authority, as a component unit, issues separate financial

statements from the County of Atlantic. However, if the County presented its financial statements in accordance with accounting principles generally accepted in the United States of America, these financial statements would be includable with the County's on a blended basis.

The Authority has adopted GASB No. 1 through 101 and related interpretations issued through December 31, 2024. GASB Statements and Interpretations require certain terminology, format and content, as well as inclusion of management's discussion and analysis supplementary information.

C. Recent Accounting Pronouncements Not Yet Effective

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, 'Certain Risk Disclosures". This statement is effective for fiscal years beginning after June 15, 2024 and will not have any effect on the Authority's financial reporting.

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, 'Financial Reporting Model Improvements". This statement is effective for fiscal years beginning after June 15, 2025 and the effect on the Authority's financial reporting is not readily determinable.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, 'Disclosure of Certain Capital Assets". This statement is effective for fiscal years beginning after June 15, 2025 and will not have any effect on the Authority's financial reporting.

D. CAPITAL ASSETS

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

		1/1/2024	Additions	Deletions	12/31/2024
Wastewater Management Program:					
Capital assets,not being depreciated:					
Land	$	12,691,336			12,691,336
Construction in Progress		3,243,166	3,108,641		6,351,807
Total capital assets not being depreciated		15,934,502	3,108,641	-	19,043,143
Capital assets being depreciated:					
Sewer Mains and Interceptors		92,065,008	1,075,587		93,140,595
Building Improvements		55,125,534			55,125,534
Equipment and Vehicles		52,752,140	593,120		53,345,260
Incinerator Facility		16,353,524			16,353,524
Atlantic Coastal Alternative		26,629,575			26,629,575
Total capital assets being depreciated at historical cost		242,925,781	1,668,707	-	244,594,488
Less:					
Accumulated depreciation		194,127,709	3,421,942		197,549,651
Total capital assets being depreciated, net of accumulated depreciation		48,798,072	(1,753,235)	-	47,044,837
Capital Assets, net	$	64,732,574	1,355,406	-	66,087,980

		1/1/2023	Additions	Deletions	12/31/2023
Wastewater Management Program:					
Capital assets,not being depreciated:					
Land	$	12,691,336			12,691,336
Construction in Progress		704,289	2,538,877		3,243,166
Total capital assets not being depreciated		13,395,625	2,538,877	-	15,934,502
Capital assets being depreciated:					
Sewer Mains and Interceptors		92,065,008			92,065,008
Building Improvements		55,125,534			55,125,534
Equipment and Vehicles		52,752,140			52,752,140
Incinerator Facility		16,353,524			16,353,524
Atlantic Coastal Alternative		26,629,575			26,629,575
Total capital assets being depreciated at historical cost		242,925,781	-	-	242,925,781
Less:					
Accumulated depreciation		190,734,039	3,393,670		194,127,709
Total capital assets being depreciated, net of accumulated depreciation		52,191,742	(3,393,670)	-	48,798,072
Capital Assets, net	$	65,587,367	(854,793)	-	64,732,574

	1/1/2024	Additions	Deletions	12/31/2024
Solid Waste Management Program:				
Capital assets,not being depreciated:				
Land	$ 14,758,845			14,758,845
Construction in Progress	158,456	17,117,773	148,228	17,128,001
Total capital assets not being depreciated	14,917,301	17,117,773	148,228	31,886,846
Capital assets being depreciated:				
Buildings and building improvements	33,547,082	96,215		33,643,297
Equipment and Vehicles	44,663,980	1,040,117	1,224,112	44,479,985
Landfill Design & Implementation	90,614,146	891,804		91,505,950
Planning and Design	3,375,832			3,375,832
Total capital assets being depreciated at historical cost	172,201,040	2,028,136	1,224,112	173,005,064
Less:				
Accumulated depreciation	147,253,577	7,625,417	1,224,112	153,654,882
Total capital assets being depreciated, net of accumulated depreciation	24,947,463	(5,597,281)	-	19,350,182
Capital Assets, net	$ 39,864,764	11,520,492	148,228	51,237,028

	1/1/2023	Additions	Deletions	12/31/2023
Solid Waste Management Program:				
Capital assets,not being depreciated:				
Land	$ 14,758,845			14,758,845
Construction in Progress	29,616	158,456	29,616	158,456
Total capital assets not being depreciated	14,788,461	158,456	29,616	14,917,301
Capital assets being depreciated:				
Buildings and building improvements	32,924,122	622,960		33,547,082
Equipment and Vehicles	44,007,305	1,236,945	580,270	44,663,980
Landfill Design & Implementation	90,379,559	234,587		90,614,146
Planning and Design	3,375,832			3,375,832
Total capital assets being depreciated at historical cost	170,686,818	2,094,492	580,270	172,201,040
Less:				
Accumulated depreciation	136,478,266	11,355,581	580,270	147,253,577
Total capital assets being depreciated, net of accumulated depreciation	34,208,552	(9,261,089)	-	24,947,463
Capital Assets, net	$ 48,997,013	(9,102,633)	29,616	39,864,764

Depreciation of the physical plant and equipment in operation is recorded on a straight-line basis. Depreciation on contributed capital has been recorded as a reduction of contributed capital. Depreciation is computed using estimated lives of between 2 and 50 years.

E. Restricted Accounts

Restricted cash and investments are for future construction, debt service requirements and system reserve requirements.

F. Annual Budget

The Authority submits an annual budget to the State of New Jersey for the Wastewater Management Program and for the Solid Waste Management Program. Once adopted, the Authority may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

The budgets are prepared on the cash basis. Unspent appropriations for annually budgeted funds lapse at year-end.

G. Leave Policies

Compensated absences represent amounts to which employees are entitled, based on accumulated vacation leave and compensatory leave earned in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated vacation leave and compensatory leave in the event of termination or retirement from service at their current salary.

H. Post-Employment Health Benefits

Upon retirement from the Atlantic County Utilities Authority, all eligible employees will be provided Authority-paid or Authority-subsidized health benefits in accordance with the criteria for eligibility, the requirements included in the Authority policy, and with the provisions of the health benefit plan or plans as provided to eligible Authority employees.

I. Cash, Cash Equivalents and Investments

The Authority's investments practices are governed by New Jersey State Statute 40A:5-15. Statutes authorize the Authority to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds and a maturity date not greater than 397 days from the date of purchase. In addition, the Authority can invest in direct debt securities of the United States or obligations guaranteed by the United States, bonds and other obligations of the local municipality or bonds or obligations of school districts of which the Authority is a part or within which the Authority is located unless such investments are expressly prohibited by law.

J. 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 Employee Retirement System ("PERS") and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the PERS. 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.

3. GENERAL BOND RESOLUTIONS

A. Regional Wastewater Collection and Treatment System

Wastewater Service Contract

The Authority has a Wastewater Service Contract with the Atlantic City Sewerage Company, the Cities of Absecon, Brigantine, Linwood, Margate, Northfield, Pleasantville, Somers Point, Ventnor, the Borough of Longport, the Township of Galloway Municipal Utilities Authority, the Township of Hamilton Municipal Utilities Authority, the Egg Harbor Township Municipal Utilities Authority, and New Jersey American Water Company (formally the City of Egg Harbor), collectively referred to as the "Participants". Presently, Participants make up the Atlantic County Coastal Region.

The Service Contract provides for the determination of an annual charge to each Participant, which consists of an operating charge and a general charge. The service contract further provides that the operating charge shall, at times, be sufficient to provide annually for the expenses of operating, repairing, and maintaining the Wastewater System and the costs of all enlargements and alterations to the System not otherwise provided for, and the general charge shall, at times, be sufficient annually to pay the principal and interest on all bonds or other obligations of the Authority as they become due, to provide for any deficits of the Authority resulting from the failure to receive sums payable to the Authority, and to provide and maintain such reserves and sinking funds for any of the foregoing purposes as may be required by the terms of any contract or other obligation of the Authority.

Wastewater Bond Resolutions

The Sewer Revenue Refunding and Sewer Revenue Bonds were issued pursuant to a general bond resolution of the Authority. The general bond resolution, as supplemented, is hereinafter referred to the as the "Resolution."

Revenue Fund – All cash receipts attributable to the operations, maintenance and repair of the Wastewater System are deposited in this fund and are used to pay for the cost of such. On a monthly basis, the Trustee shall retain in the Revenue Fund, a reserve for operations, the amount shown by the Authority's annual budget to be required for operating expenses, less other sources of revenue, for the next succeeding period of three consecutive calendar months and transfer the remaining balance to satisfy the requirements of the following funds, listed in order of priority.

Restricted Funds:

Construction Fund – All costs pertaining to the acquisition or construction of a designated project shall be paid from this Fund and capitalized herein. The proceeds from the sale of bonds and certain receipts are deposited herein to pay for all such construction costs. Interest earned on investments in this fund is credited to project costs.

Rebate Fund – The balance in this fund shall be maintained in an amount sufficient to make payments to the United States Treasury for investment earnings above levels permitted by Section 148(f) of the Internal Revenue Code of 1986, as amended.

Debt Service Fund – The Debt Service Fund is to accumulate a balance sufficient to pay the interest and principal to become due at or before the January 15th next ensuing, plus any unpaid principal and interest then due. Interest earnings in excess of the required fund balance may be paid to the Revenue Fund. In addition, a sinking fund is included which shall equal the aggregate amount of all sinking fund installments required to redeem bonds on the next January 15th for the Sewer Revenue Refunding Bonds.

Debt Service Reserve Fund (2004, 2009 and 2013 Series) – The balance in this Reserve Fund shall be maintained equal to the maximum amount of principal and interest payable in any one year on the

Wastewater Revenue Bonds (2004, 2009 and 2013 Series) less any surety. Interest earnings in excess of the required fund balance may be paid to the Revenue Fund.

Renewal and Replacement Fund – The balance in this fund shall be maintained equal to 3% of gross revenues or such larger amount as determined by the Consulting Engineer. Interest earnings in excess of the required fund balance may be paid to the Revenue Fund. With approval of the Consulting Engineer, this fund may be used to meet reasonable and necessary expenses for major repairs, renewals, replacements or maintenance items of a type not recurring annually. The System Reserve Fund is a component of the Renewal and Replacement Fund.

4. LONG TERM OBLIGATIONS

Changes in long-term obligations for the year ended December 31, 2024 are as follows:

	Balance 12/31/2023	Issues or Additions	Payments or Expenditures	Balance 12/31/2024	Amounts Due Within One Year
Compensated Absences	$ 1,009,153	$ 58,527	$	$ 1,067,680	$ -
Net OPEB Obligation Payable	66,459,762	10,608,140		77,067,902	-
Post-retirement benefits	1,335,019			1,335,019	
Net Pension Liability	32,061,562		2,827,162	29,234,400	-
Deferred Revenue	134,879		30,777	104,102	20,912
Bonds Payable:	21,081,536		1,994,564	19,086,972	1,727,086
Lease Payable	3,610,000	3,700,000	1,405,000	5,905,000	2,145,000
	$ 125,691,911	$ 14,366,667	$ 6,257,503	$ 133,801,075	$ 3,892,998

Bonds Payable

At December 31, 2024, bonds payable consisted of the following issues:

$4,919,402 New Jersey Environmental Infrastructure Trust Fund Loan dated 2004, due in semiannual installments for principal and interest through August 1, 2024, bearing interest at various rates from 0.00% to 5.00% per annum. The balance remaining as of December 31, 2024 and 2023, is $0 and $274,381, respectively.

$2,551,272 New Jersey Environmental Infrastructure Trust Fund Loan dated 2006, due in semiannual installments for principal and interest through August 1, 2026, bearing interest at various rates from 0.00% to 5.00% per annum. The balance remaining as of December 31, 2024 and 2023, is $164,979 and $300,643, respectively.

$3,008,252 New Jersey Environmental Infrastructure Trust Fund Loan dated 2007, due in semiannual installments for principal and interest through August 1, 2027, bearing interest at various rates from 0.00% to 5.00% per annum. The balance remaining as of December 31, 2024 and 2023, is $479,524 and $653,073, respectively.

$3,987,500 New Jersey Environmental Infrastructure Trust Fund Loan Series 2010A, dated February 2010, due in semiannual installments for principal and interest through August 1, 2029, bearing interest at

various rates from 0.00% to 5.00% per annum. The balance remaining as of December 31, 2024 and 2023, is $1,180,688 and $1,404,625, respectively.

$1,710,000 New Jersey Environmental Infrastructure Trust Fund Loan Series 2010B, dated December 2010, due in semiannual installments for principal and interest through September 1, 2030, bearing interest at various rates from 0.00% to 5.00% per annum. The balance remaining as of December 31, 2024 and 2023, is $598,428 and $690,500, respectively.

$2,065,563 New Jersey Environmental Infrastructure Trust Fund Loan Series 2012, dated January 2012, due in semiannual installments for principal and interest through August 1, 2031, bearing interest at various rates from 0.00% to 5.00% per annum. The balance remaining as of December 31, 2024 and 2023, is $808,275 and $921,071, respectively.

$1,504,928 New Jersey Environmental Infrastructure Trust Fund Loan Series 2017, dated November 2017, due in semiannual installments for principal and interest through August 1, 2037, bearing interest at various rates from 0.00% to 5.00% per annum. The balance remaining as of December 31, 2024 and 2023, is $979,590 and $1,052,044, respectively.

$4,713,095 New Jersey Environmental Infrastructure Trust Fund Loan Series 2018, dated January 2018, due in semiannual installments for principal and interest through August 1, 2037, bearing interest at various rates from 0.00% to 5.00% per annum. The balance remaining as of December 31, 2024 and 2023, is $3,047,238 and $3,285,108, respectively.

$3,099,412 New Jersey Infrastructure Bank Direct Loan, dated December 2018, due in semiannual installments for principal only through August 1, 2038. The balance remaining as of December 31, 2024 and 2023, is $2,158,308 and $2,324,348, respectively.

$3,635,165 New Jersey Infrastructure Bank Direct Loan, dated May 2019, due in semiannual installments for principal only through August 1, 2038. The balance remaining as of December 31, 2024 and 2023, is $2,636,667 and $2,819,343, respectively.

$7,537,152 New Jersey Infrastructure Bank Direct Loan, dated December 2022, due in semiannual installments for principal only through August 1, 2042. The balance remaining as of December 31, 2024 and 2023, is $7,015,274 and $7,356,401, respectively.

The following is a summary of the remaining long-term revenue bond payments:

Year Ending December 31,		Principal	Interest	Total
2025	$	1,727,086	211,870	1,938,956
2026		1,670,841	190,520	1,861,361
2027		1,648,656	168,945	1,817,601
2028		1,495,883	149,270	1,645,153
2029		1,510,889	131,545	1,642,434
2030-34		5,614,166	479,333	6,093,499
2035-39		4,106,071	256,531	4,362,602
2040-42		1,313,380	50,750	1,364,130
	$	19,086,972	1,638,764	20,725,736

Lease Payable

The Authority entered into a lease purchase agreement with TD Equipment Finance, Inc. on February 5, 2020, to lease five new garbage trucks. The total lease payable is for $2,700,000 with a fixed interest rate of 1.94%; $540,000 is payable as of December 31, 2024. This lease matures February 1, 2025.

The Authority entered into a lease purchase agreement with TD Equipment Finance, Inc. on October 30, 2020, to lease four new garbage trucks. The total lease payable is $2,325,000 with a fixed interest rate of 1.94%; $465,000 is payable as of December 31, 2024. This lease matures October 1, 2025.

The Authority entered into a lease purchase agreement with TD Equipment Finance, Inc. on June 24, 2022, to lease three new garbage trucks, a dump truck and a wheel loader. The total lease payable is $2,000,000 with a fixed interest rate of 2.77%; $1,200,000 is payable as of December 31, 2024. This lease matures February 1, 2027.

The Authority entered into a lease purchase agreement with TD Equipment Finance, Inc. on November 26, 2024, to lease three new ASL trucks, a dump truck and a compactor. The total lease payable is $3,700,000 with a fixed interest rate of 3.99%; $3,700,000 is payable as of December 31, 2024. This lease matures February 1, 2027.

The following is a summary of remaining lease payments:

Year Ending December 31,		Principal	Interest	Total
2025	$	2,145,000	63,964	2,208,964
2026		1,140,000	134,724	1,274,724
2027		1,140,000	94,118	1,234,118
2028		740,000	59,052	799,052
2029		740,000	29,526	769,526
	$	5,905,000	381,384	6,286,384

7. PENSION AND RETIREMENT PLANS

Substantially all of the Authority's employees participate in the Public Employees' Retirement System, which is administered by the New Jersey Division of Pensions and Benefits. The plan has a Board of Trustees that is primarily responsible for its administration. According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at – http://www.state.nj.us/treasury/pensions/annrprts.shtml.

Plan Descriptions - The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007, plan members enrolled in the PERS are required to contribute 7.50% of employees' annual compensation as defined. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to normal rate when such surplus assets not longer exist.

The Authority is billed annually for its normal contribution plus any accrued liability.

8. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Plan Description

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefits Provisions

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer.

Funding Policy

Members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary.

9. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

At December 31, 2024, the Authority reported a liability of $29,234,400 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 that was rolled forward to June 30, 2024. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Authority's proportion was 0.21514793540%, which was a decrease of 2.80% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2023, the Authority recognized pension expense of ($759,840). At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	$ 585,619	(77,830)
Changes of assumptions	36,318	(332,620)
Net difference between projected and actual earnings on pension plan investments		(1,355,519)
Changes in proportion and differences between Authority contributions and proportionate share of contributions	1,353,189	(771,158)
Total	$ 1,975,126	(2,537,127)

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

Year ended June 30,	
2025	$ (1,802,364)
2026	2,388,917
2027	(687,596)
2028	(484,329)
2029	23,372
Total	$ (562,001)

Actuarial Assumptions

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

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

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 disable 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 generational basis. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

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

Discount Rate

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

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Authority's proportionate share of the net pension

liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Commission's proportionate share of the net pension liability	$ 35,566,452	29,234,400	23,850,782

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

10. DEFERRED COMPENSATION

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all eligible regular employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, attain the age of 70 1/2 or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights have been removed from the books and accounts of the Authority as they are not the property or rights of the Authority.

11. LITIGATION AND CONTINGENCIES

From time to time, the ACUA is a defendant or co-defendant in various lawsuits arising out of normal operations and construction activities of the ACUA. It is the opinion of management and the General Counsel to the ACUA that the resolution of these other pending lawsuits will not have a material adverse effect on the Authority's assets, liabilities or results of operations.

12. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance amounts in the Solid Waste Management Program are $63,615 for 2024 and 2023 respectively and is a contra asset amount presented as reductions to User Charges Receivable.

13. CLOSURE AND POST-CLOSURE CARE COST

The Authority adopted the provisions of Statement No. 18 of the Government Accounting Standards Board, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, in 1993. This Standard requires the Authority to recognize an expense and a liability in each period it accepts solid waste for a portion of the landfill closure and postclosure costs expected to be incurred in future periods. The estimated current cost is based on use of landfill capacity rather than passage of time. The estimated liability as of December 31, 2024 and 2023 totaled $37,213,751 and $36,320,538, respectively. For the years ended December 31, 2024 and 2023 landfill closure capacity used was 86.0% and 82.6% respectively.

14. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. The Authority has a formal policy regarding custodial credit risk, and 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. Of the Authority's bank balance of $105,202,149 as of December 31, 2024, $0 was uninsured and uncollateralized.

Investments

At December 31, 2024, the Authority had the following investments:

Investment Type	Average Credit/ Quality Ratings (1)	Face Amount	Carrying Amount	Investment Maturities (in Years) Less Than 1	1-5
NJ ARM	Not rated	$ 25,614,385	25,614,385	25,614,385	
Cert of Dep.	Not rated	1,000,000	1,000,330	1,000,330	
		$ 26,614,385	26,614,715	26,614,715	-

(1) Ratings are provided where applicable to indicate associated credit risk.

15. AMOUNTS HELD BY THE STATE OF NEW JERSEY

The State of New Jersey holds the Landfill Closure Escrow Account in the name of the Atlantic County Utilities Authority. These cash and investments consisted of the following at December 31, 2024 and 2023, respectively:

	2024	2023
Cash	$ 8,718,579	8,072,606
Investments	22,275,774	22,579,497
Total	$ 30,994,353	30,652,103

The detail of the current year investments for the year ended December 31, 2024 is as follows:

Investment Type	Credit/ Quality Ratings (1)	Face Amount	Carrying Amount	Investment Maturities (in Years) Less Than 1	1-5	6-10	11-15
US Govt. Securities	Aaa	$ 22,840,890	22,275,774	3,807,599	12,230,177	6,237,998	-
		$ 22,840,890	22,275,774	3,807,599	12,230,177	6,237,998	-

16. RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Receivables and payables at December 31, 2024 are as follows:

Due to Fund	Due from Fund	Amount
Solid Waste Division	Wastewater Division	$ 650,316
		$ 650,316

Interfunds were created to account for reimbursements due to Wastewater Division from the Solid Waste Division that have not been paid at December 31, 2024.

17. POST EMPLOYMENT HEALTHCARE PLAN

State Health Benefit State Retired Employees Plan

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

The Plan provides medical and prescription drugs to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Authority. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer, or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service

credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Net OPEB Liability

The components of the net OPEB liability of the Plan as of June 30, 2024 is as follows:

	Collective Total	Authority Total
Total OPEB Liability	$ 17,748,257,548	$ 76,391,340
Plan Fiduciary Net Position (Deficit)	(157,187,957)	(676,562)
Net OPEB Liability	$ 17,905,445,505	$ 77,067,902

The total OPEB liability as of December 31, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases

PERS
2.75% to 6.55% based on service years

Salary increases are based on years of service.

Pre-retirement healthy mortality

Pre-retirement mortality rates for PERS were based on the PUB-2010 General classification head count weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Post-retirement healthy mortality

Post-retirement mortality rates for retirees is based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality

Disabled retiree mortality rates for PERS future disabled retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027, and decreases to 4.5% in fiscal year 2034. For HMO the trend is increasing to 23.58% in fiscal year 2027, and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.5% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability as of June 20, 2024, respectively, calculated using a discount rate as disclosed above as well as what the total non-employer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability:			
(Collective Total)	$ 20,857,914,273	$ 17,905,445,505	$ 15,540,780,410
(Authority Retirees)	$ 89,775,800	$ 77,067,902	$ 66,890,005

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

The following presents the total OPEB liability as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the 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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability:			
(Collective Total)	$ 15,144,352,142	$ 17,905,445,505	$ 21,455,435,620
(Commission Retirees)	$ 65,183,714	$ 77,067,902	$ 92,347,627

Changes in the Net OPEB Liability reported by the State of New Jersey

	Collective Total
Balance at 6/30/23 (Based on 6/30/2022 measurement date) $	15,006,539,477
Changes for the year:	
Service cost	545,086,159
Interest	554,448,470
Changes in Benefit Terms	107,670,542
Differences between Expected & Actual Experiences	408,491,660
Changes in assumptions	1,735,990,164
Gross Benefit Payments	
Contributions	(462,263,915)
Net Investment Income	(1,636,336)
Contributions: Member	
Administrative Expense	11,119,284
Net changes	2,898,906,028
Balance at 6/30/24 (Based on 6/30/2023 measurement date) $	17,905,445,505

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

For the year ended December 31, 2024, the Authority recognized OPEB expense (benefit) of $409,769 determined by the State.

	Collective Total
Service cost	$ 545,086,159
Interest on Total OPEB Liability	554,448,470
Expected Investment Return	5,026,265
Administrative Expense	11,119,284
Changes in benefit terms	107,670,542
Gross Benefit Payments	
Current Period Recognition of Deferred Inflows and Outflows:	
Differences between expected & actual experience	(847,755,885)
Changes in Assumptions	(583,228,782)
Differences between projected and actual investment earnings on OPEB plan investments	(1,033,536)
Total OPEB (Benefit) Expense	$ (208,667,483)

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired Authority employees' OPEB from the following sources:

	Collective Totals		Authority Totals	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 906,784,304	$ (3,033,798,337)	$ 3,902,945	$ (13,057,953)
Changes of Assumptions	2,993,451,517	(2,972,190,924)	12,884,294	(12,792,785)
Differences between projected and actual Investment earnings	-	(8,105,194)	-	(34,886)
Changes in Proportions	-	-	15,369,834	(3,313,793)
	$ 3,900,235,821	(6,014,094,455)	32,157,073	(29,199,417)

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

Year Ended June 30,	Collective Totals	Authority Total
2025	$ (1,123,975,872)	$ 1,572,638
2026	(483,903,543)	677,065
2027	(83,156,324)	116,350
2028	(443,334,965)	620,303
2029	(282,447,899)	395,194
Thereafter	302,959,969	(423,894)
	$ (2,113,858,634)	$ 2,957,656

18. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events for potential recognition and/or disclosure through November 28, 2025, the date the financial statements were available to be issued, no issues were identified that require disclosure.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

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ATLANTIC COUNTY UTILITIES AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEE RETIREMENT SYSTEM
YEARS ENDED DECEMBER 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability (asset)	0.2151%	0.2214%	0.2215%	0.21309%	0.20016%	0.18803%	0.18872%	0.17958%	0.18174%	0.18177%
Authority's proportionate of the net pension liability (asset)	$ 29,234,400	$ 32,061,562	$ 33,426,772	$ 25,243,659	$ 32,640,095	$ 33,880,857	$ 37,158,319	$ 41,803,959	$ 53,824,768	$ 40,804,441
Authority's covered payroll	$ 17,856,126	$ 16,781,698	$ 16,336,182	$ 15,277,994	$ 14,507,253	$ 13,043,021	$ 12,814,155	$ 12,431,741	$ 12,312,031	$ 12,482,810
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	163.72%	191.05%	204.62%	165.23%	224.99%	259.76%	289.98%	336.27%	437.17%	326.89%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.51%	56.57%	53.60%	48.10%	40.14%	47.93%

Source: GASB 68 report on Public Employees' Retirement System; Authority records

ATLANTIC COUNTY UTILITIES AUTHORITY
SCHEDULE OF AUTHORITY CONTRIBUTIONS
PUBLIC EMPLOYEE RETIREMENT SYSTEM
YEARS ENDED DECEMBER 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 2,927,562	$ 2,958,440	$ 2,495,527	$ 2,495,527	$ 2,189,598	$ 1,829,016	$ 1,877,169	$ 1,663,641	$ 1,614,510	$ 1,562,762
Contributions in relation to the contractually required contribution	2,927,562	2,958,440	2,495,527	2,495,527	2,189,598	1,829,016	1,877,169	1,663,641	1,614,510	1,562,762
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 17,856,126	$ 16,781,698	$ 16,336,182	$ 15,277,994	$ 14,507,253	$ 13,043,021	$ 12,814,155	$ 12,431,741	$ 12,312,031	$ 12,482,810
Contributions as a percentage of covered-employee payroll	16.40%	17.63%	15.28%	16.33%	15.09%	14.02%	14.65%	13.38%	13.11%	12.52%

Source: GASB 68 report on Public Employees' Retirement System; Authority records

ATLANTIC COUNTY UTILITIES AUTHORITY
Schedule of the Authority's Proportionate Share of the Net OPEB Liability
State Health Benefits Program
Last Nine Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net OPEB liability (asset)	0.430416%	0.442872%	0.400924%	0.406448%	0.371403%	0.326826%	0.317680%	0.304051%	0.313885%
Authority's proportionate of the net OPEB liability (asset)	$ 77,067,902.00	$ 66,459,762.00	$ 64,747,604.00	$ 73,159,751.00	$ 66,654,259.00	$ 44,454,548.00	50,768,769.00	62,722,817.00	68,167,863.00
Authority's covered payroll	17,856,126.00	16,781,698.00	16,366,162.00	15,277,994.00	14,507,253.00	13,043,021.00	12,814,155.00	12,431,741.00	12,312,031.00
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	431.60%	396.03%	395.62%	478.86%	459.45%	340.83%	396.19%	504.54%	553.67%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.89%	-0.79%	-0.36%	0.28%	0.91%	1.98%	1.97%	1.03%	0.69%

Source: GASB 75 report on State of New Jersey State Health Benefits Program; Authority records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.
However, information is only currently available for nine years.
Additional years will be presented as they become available.

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OTHER SUPPLEMENTARY INFORMATION

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SINGLE AUDIT SECTION

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

The Honorable Chairman and Members
of the Atlantic County Utilities Authority
(A component unit of the County of Atlantic)
County of Atlantic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements of the business-type activities of the Atlantic County Utilities Authority (a component unit of the County of Atlantic), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Atlantic County Utilities Authority (a component unit of the County of Atlantic)'s basic financial statements, and have issued our report thereon dated November 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Atlantic County Utilities Authority (a component unit of the County of Atlantic)'s control over financial reporting (internal control) to determine the 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 Atlantic County Utilities Authority (a component unit of the County of Atlantic)'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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Atlantic County Utilities Authority (a component unit of the County of Atlantic)'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division.

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

November 28, 2025

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR LETTER 15-08

Honorable Chairman and Members
of the Atlantic County Utilities Authority
(A component unit of the County of Atlantic)
County of Atlantic, New Jersey

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

We have audited the Atlantic County Utilities Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Atlantic County Utilities Authority's major federal and state programs for the year ended June 30, 2025. The Atlantic County Utilities Authority's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Atlantic County Utilities Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal & State Program

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of

laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its Federal and State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Atlantic County Utilities Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Atlantic County Utilities Authority's compliance with the requirements of each major federal or state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Atlantic County Utilities Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Atlantic County Utilities Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Atlantic County Utilities Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on Internal Control Over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

November 28, 2025

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ATLANTIC COUNTY UTILITIES AUTHORITY

SCHEDULE OF STATE ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2024

State Funding Agency	Program	State Account Number	Grant Period From	Grant Period To	Program Receipts	Program Expenditures	Total Expenditures
New Jersey Department of Community Affairs	Overtime Services 2024	2024-09159-0363-00	7/1/2023	6/30/2025	$ 1,560,000	$ 1,560,000	$ 1,560,000
New Jersey Department of Environmental Protection	Recycling Enhancement	N/A	1/1/2024	12/31/2024	251,100	251,100	251,100
	Recycling Tonnage Grant	N/A	1/1/2024	12/31/2024	131,630	131,630	131,630
	Clean Communities	4900-765-042-4900-005	1/1/2024	12/31/2024	124,010	124,010	124,010
New Jersey Board of Public Utilities	EV Tourism Grant	71D-082-2014-022-6140	5/1/2023	5/1/2025	100,000	100,000	100,000
Total State Assistance					$ 2,166,740	$ 2,166,740	$ 2,166,740

ATLANTIC COUNTY UTILITIES AUTHORITY
(A component unit of the County of Atlantic)
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
DECEMBER 31, 2024

NOTE 1. GENERAL

The accompanying schedules of expenditures of state financial assistance include state award activity of the Atlantic County Utilities Authority. The Authority is defined in Note 1 to the Authority's basic financial statements. All state awards received directly from f state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the accrual basis of accounting. This basis of accounting is described in Note 1 to the Authority's basic financial statements. The Authority has elected not to use the 10% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

The amounts reported in the accompanying schedule agree with the amounts reported in the Authority’s basic financial statements.

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports.

ATLANTIC COUNTY UTILITIES AUTHORITY
(A component unit of the County of Atlantic)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
1) Material weakness(es) identified?		yes	X	no
2) Significant deficiencies identified that are not considered to be material weaknesses?		yes	X	none reported
Noncompliance material to basic financial statements noted?		yes	X	no

Federal Awards Section **Not Applicable**

Internal Control over major programs:				
1) Material weakness(es) identified?		yes		no
2) Significant deficiencies identified		yes		none reported
Type of auditor's report on compliance for major programs	N/A			
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance		yes		no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster

Dollar threshold used to determine Type A programs: _____

Auditee qualified as low-risk auditee? _____ yes _____ no

ATLANTIC COUNTY UTILITIES AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:				
1) Material weakness(es) identified?		yes	X	no
2) Significant deficiencies identified		yes	X	none reported
Type of auditor's report on compliance for major programs	Unmodified			
Any audit findings disclosed that are required to be reported in accordance NJOMB Circular Letter 15-08?		yes	X	no

Identification of major programs:

GMIS Number(s)	Name of State Program
2024-09159-0363-00	Overtime Services 2024

N) Dollar threshold used to determine Type A programs: $750,000

O) Auditee qualified as low-risk auditee? yes X no

ATLANTIC COUNTY UTILITIES AUTHORITY
(A component unit of the County of Atlantic)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Part 2 – Schedule of Financial Statement Findings

NONE

Part 3 – Schedule of State Award Findings and Questioned Costs

NONE

Status of Prior Year's Audit Recommendations

There were no prior year recommendations.

Any problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Ford, Scott, & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

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WASTEWATER MANAGEMENT PROGRAM

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Schedule 1

ATLANTIC COUNTY UTILITIES AUTHORITY
(A component Unit of the County of Atlantic, New Jersey)
WASTEWATER DIVISION
COMPARATIVE STATEMENT OF NET POSITON
MODIFIED ACCRUAL BASIS
DECEMBER 31, 2024 AND 2023

ASSETS		**2024**		**2023**
Current Assets:				
Cash and Cash Equivalents	$	19,294,972	$	2,679,924
Investments		22,290,761		33,688,119
Accrued Interest Receivable		267,293		409,508
Accounts Receivable		1,142,695		874,703
Accounts Receivable - Other		155,290		313,007
Due from Solid Waste Division		-		1,348,360
Total Current Assets		43,151,011		39,313,621
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents		8,931,498		11,931,222
Investments		3,047,933		5,651,525
Accrued Interest Receivable		17,479		24,781
Total Noncurrent Assets		11,996,910		17,607,528
Capital Assets:				
Property, Plant and Equipment		263,637,631		258,860,283
Less: Accumulated Depreciation		(197,549,651)		(194,127,709)
Net Capital Assets		66,087,980		64,732,574
TOTAL ASSETS	$	121,235,901	$	121,653,723

Schedule 1

ATLANTIC COUNTY UTILITIES AUTHORITY
(A component Unit of the County of Atlantic, New Jersey)
WASTEWATER DIVISION
COMPARATIVE STATEMENT OF NET POSITON
MODIFIED ACCRUAL BASIS
DECEMBER 31, 2024 AND 2023

LIABILITIES		**2024**		**2023**
Current Liabilities Payable from Current Assets:				
Accounts Payable	$	3,264,824	$	2,576,617
Due to Solid Waste Division		650,316		-
Pension Payable		1,919,989		1,923,049
Total Current Liabilities Payable from Current Assets		5,835,129		4,499,666
Current Liabilities Payable from Restricted Assets:				
Construction Contracts Payable		102,194		300,077
Deferred Revenue		20,912		30,776
Current Portion of Long - Term Debt (net of NJIB credit)		1,727,086		1,994,565
Accrued Interest		88,279		98,553
Total Current Liabilities Payable from Restricted Assets:		1,938,471		2,423,971
Noncurrent Liabilities:				
Deferred Revenue		83,190		104,103
Post Retirement Benefits Payable		535,019		535,019
Accrued Compensated Absences		448,066		433,213
Long - Term Portion of Bonds Payable (net of NJIB credit)		17,359,886		19,086,971
Total Noncurrent Liabilities		18,426,161		20,159,306
TOTAL LIABILITIES	$	26,199,761	$	27,082,943
NET POSITION				
Investment in Capital Assets, Net of Related Debt	$	46,896,906	$	43,516,159
Restricted for:				
Renewal and Replacement		7,000,000		7,000,000
Debt Service Fund		518,513		576,691
Debt Service Reserve Fund		-		287,207
Unrestricted		40,620,721		43,190,723
TOTAL NET POSITION	$	95,036,140	$	94,570,780
TOTAL LIABILITIES AND NET POSITION	$	121,235,901	$	121,653,723

Schedule 2

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
WASTEWATER DIVISION
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Operating Revenues:		
User Service Agreements:		
Operating	$ 23,362,255	$ 23,028,924
General	2,261,867	2,092,764
Sludge	1,976,170	2,006,142
Septage and Leachate	538,672	442,860
Grant Income	100,000	-
Other	1,460,763	1,549,909
Total Operating Revenues	29,699,727	29,120,599
Operating Expenses:		
Salaries	9,218,450	8,868,744
Employee Benefits	5,677,787	5,559,236
Power and Utilities	3,061,209	2,678,281
Chemicals	1,274,025	1,521,412
Fuel	1,611,897	1,434,330
Supplies and Miscellaneous Maintenance	2,389,458	2,650,499
Contractual Services	1,246,484	1,552,643
Indirect Operating Expenses	1,023,376	909,101
Administrative	2,051,895	1,968,310
Licenses and Permits	184,731	181,714
Depreciation	3,421,942	3,393,669
Total Operating Expenses	31,161,254	30,717,939
Operating Income	(1,461,527)	(1,597,340)
Non - Operating Revenues / (Expenses):		
County Appropriation	(450,000)	(450,000)
Interest Income	2,603,140	2,591,885
Interest Expense	(226,253)	(260,210)
Pension Adjustment	-	(4,382)
Total Non - Operating Expenses	1,926,887	1,877,293
Net Income / (Loss)	465,360	279,953
Net Position, January 1	94,570,780	94,290,827
Net Position, December 31	$ 95,036,140	$ 94,570,780
Reconciliation to Statements of Revenues, Expenses and Changes in Net Position - GAAP Basis:		
Net Income - modified accrual basis	$ 465,360	$ 279,953
Prior Year wastewater GAAP adjustment	(878,940)	(914,973)
Current year wastewater GAAP adjustment	1,329,785	878,940
Unbudgeted pension expense	387,739	1,162,253
Unbudgeted OPEB expense	(204,885)	337,797
Net Income / (Loss) - GAAP Basis	$ 1,099,059	$ 1,743,970

Schedule 3

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
WASTEWATER DIVISION
SCHEDULE OF OPERATING REVENUES AND COSTS FUNDED BY OPERATING REVENUES
COMPARED TO BUDGET - RATE BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

		Budget		Actual	Variance
Revenues:					
User Service Agreements:					
Operating and General Charge	$	25,624,122	$	25,624,122	-
Sludge, Septage, and Leachate		2,118,637		2,514,842	396,205
Interest on Investments and Deposits		1,600,000		2,603,140	1,003,140
Miscellaneous		1,389,084		1,560,763	171,679
Fund Balance Anticipated		1,951,907		450,000	(1,501,907)
Total Revenues		32,683,750		32,752,867	69,117
Expenses:					
Salaries		9,254,065		9,218,450	(35,615)
Employee Benefits		6,113,622		5,677,787	(435,835)
Power and Utilities		2,975,000		3,061,209	86,209
Chemicals		1,694,000		1,365,790	(328,210)
Fuel		1,515,100		1,611,897	96,797
Supplies and Miscellaneous Maintenance		2,141,975		2,174,782	32,807
Contractual Services		1,563,000		1,220,549	(342,451)
Indirect Operating Expenses		1,441,718		1,230,070	(211,648)
Administrative		2,390,903		2,029,931	(360,972)
Maintenance Program Expenditures		525,000		633,181	108,181
Canceled Purchase Orders				(484,334)	(484,334)
Total Operating Expenses		29,614,383		27,739,312	(1,875,071)
Non-Operating Expenses					
Reservie Requirements		350,000		350,000	-
County Appropriation		450,000		450,000	-
Debt Service		2,269,367		2,251,593	(17,774)
Total Non-Operating expenes		3,069,367		3,051,593	(17,774)
Total Expenses		32,683,750		30,790,905	(1,892,845)
Net Income / (Loss) from Operations	$	-	$	1,961,962	1,961,962

Schedule 4

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
WASTEWATER DIVISION
SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Description	Face Amount	Interest Rate	Due Date	Fair Value December 31, 2024
Unrestricted Accounts:				
Cash	$ 3,086,455			$ 3,086,455
First American Treasury Obligation Fund	2,481,385	3.92%		2,481,385
NJ ARM	10,082,590	4.51%		10,082,590
NJ ARM - NJ Term	5,833,210	4.21% - 4.69%	2/20/25-11/17/25	5,833,210
NJ ARM	3,206,191	4.51%		3,206,191
NJ ARM - NJ Term	10,396,366	4.08% - 4.69%	2/20/25-12/15/25	10,396,366
Operating Reserve:				
NJ ARM	5,022	4.51%		5,022
NJ ARM - NJ Term	6,061,185	4.08% - 4.94%	2/20/25-12/15/25	6,061,185
First American Treasury Obligation Fund	433,329	3.92%		433,329
Total Unrestricted	41,585,733			41,585,733
Restricted Accounts:				
Debt Service Fund:				
First American Treasury Money Market	518,513	3.92%		518,513
	518,513			518,513
Debt Service Reserve Fund:				
NJ ARM	299,983	4.51%		299,983
	299,983			299,983
Renewal and Replacement Fund:				
First American Treasury Money Market	3,713	3.92%		3,713
NJ ARM - NJ Term	3,047,933	4.21% - 4.69%	2/20/25-11/17/25	3,047,933
NJ ARM	8,109,289	4.51%		8,109,289
	11,160,935			11,160,935
Total	$ 53,565,164			$ 53,565,164
Unrestricted				
Cash and Cash Equivalents	$ 19,294,972			$ 19,294,972
Investments	22,290,761			22,290,761
Restricted:				
Cash and Cash Equivalents	8,931,498			8,931,498
Investments	3,047,933			3,047,933
	$ 53,565,164			$ 53,565,164

Schedule 5

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
WASTEWATER DIVISION
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT AND OTHER CAPITALIZED COSTS
MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, 2022, 2021 AND 2020

	2024	2023	2022	2021	2020
Additions During the Year:					
Property, Plant and Equipment:					
Sewer Mains and Interceptors	$	$	$ 753,295	$ 7,555,814	$ 3,903,024
Buildings and Improvements	1,075,588			8,850	-
Construction in Progress	3,108,640	2,538,877	152,568	542,633	(277,584)
Equipment and Vehicles	593,120		-	-	672,649
Total Additions	4,777,348	2,538,877	905,863	8,107,297	4,298,089
Costs Capitalized at the Beginning of the Year	258,860,283	256,321,406	255,415,543	247,308,246	243,010,157
	263,637,631	258,860,283	256,321,406	255,415,543	247,308,246
Less:					
Accumulated Depreciation and Amortization	(197,549,651)	(194,127,709)	(190,734,039)	(187,348,048)	(184,059,485)
Total Property, Plant and Equipment, End of Year	$ 66,087,980	$ 64,732,574	$ 65,587,367	$ 68,067,495	$ 63,248,761

Schedule 6

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
WASTEWATER DIVISION
SPECIAL PURPOSE STATEMENT OF REVENUES AND EXPENSES TO COMPLY WITH BOND RESOLUTIONS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Operating Revenues:		
User Service Agreements:		
Operating	$ 23,362,255	$ 23,028,924
General	2,261,867	2,092,764
Sludge	1,976,170	2,006,142
Septage and Leachate	538,672	442,860
Grant Income	100,000	-
Other	1,460,763	1,549,909
Total Operating Revenues	29,699,727	29,120,599
Operating Expenses:		
Salaries	9,218,450	8,868,744
Employee Benefits	5,677,787	5,559,236
Power and Utilities	3,061,209	2,678,281
Chemicals	1,274,025	1,521,412
Fuel	1,611,897	1,434,330
Supplies and Miscellaneous Maintenance	2,389,458	2,650,499
Contractual Services	1,246,484	1,552,643
Indirect Operating Expenses	1,023,376	909,101
Administrative	2,051,895	1,968,310
Licenses and Permits	184,731	181,714
Total Operating Expenses	27,739,312	27,324,270
Operating Income	1,960,415	1,796,329
Non - Operating Revenues / (Expenses):		
County Appropriation	(450,000)	(450,000)
Interest Income	2,603,140	2,591,885
Interest Expense	(226,253)	(260,210)
Total Non - Operating Expenses	1,926,887	1,881,675
Net Income	$ 3,887,302	$ 3,678,004

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SOLID WASTE MANAGEMENT PROGRAM

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Schedule 7

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
SOLID WASTE DIVISION
COMPARATIVE STATEMENT OF NET POSITION
MODIFIED ACCRUAL BASIS
DECEMBER 31, 2024 AND 2023

ASSETS		**2024**		**2023**
Current Assets:				
Cash and Cash Equivalents	$	13,111,787	$	6,494,560
Investments		1,276,021		11,627,872
Accrued Interest Receivable		20,683		210,370
Accounts Receivable (net of Allowance $63,615 and $63,615 in 2024 and 2023 respectively		4,471,241		5,040,034
Accounts Receivable - Other		272,391		292,578
Due from Wastewater Division		650,316		-
Total Current Assets		19,802,439		23,665,414
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents		5,185,538		4,080,869
Investments		-		4,726,100
Amounts Held by State of New Jersey		30,994,353		30,652,103
Accrued Interest Receivable		152,982		144,044
Total Noncurrent Assets		36,332,873		39,603,116
Capital Assets:				
Property, Plant and Equipment		204,891,910		187,118,341
Less: Accumulated Depreciation		(153,654,882)		(147,253,577)
Net Capital Assets		51,237,028		39,864,764
TOTAL ASSETS	$	107,372,340	$	103,133,294

Schedule 7

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
SOLID WASTE DIVISION
COMPARATIVE STATEMENT OF NET POSITION
MODIFIED ACCRUAL BASIS
DECEMBER 31, 2024 AND 2023

		2024		2023
LIABILITIES				
Current Liabilities Payable from Current Assets:				
Accounts Payable	$	3,542,745	$	3,610,760
Customer Deposits		560,929		295,226
Pension Payable		2,544,590		2,588,575
Due to Wastewater Division		-		1,348,360
Total Current Liabilities Payable from Current Assets		6,648,264		7,842,921
Current Liabilities Payable from Restricted Assets:				
Construction Contracts Payable		877,532		271,747
TD Lease Payable		2,145,000		1,405,000
Accrued Interest		32,635		29,382
Total Current Liabilities Payable from Restricted Assets:		3,055,167		1,706,129
Noncurrent Liabilities Payable from Restricted Assets:				
TD Lease Payable		3,760,000		2,205,000
Accrued Landfill Closure and Post - Closure Care Cost		37,213,751		36,320,538
Total noncurrent liabilities payable from restricted assets:		40,973,751		38,525,538
Noncurrent Liabilities:				
Accrued Compensated Absences		619,614		575,940
Post Retirement Benefits Payable		800,000		800,000
Total Noncurrent Liabilities		1,419,614		1,375,940
TOTAL LIABILITIES	$	52,096,796	$	49,450,528
NET POSITION				
Investment in Capital Assets, Net of Related Debt	$	45,332,028	$	36,254,764
Unrestricted		9,943,516		17,428,002
TOTAL NET POSITION (DEFICIT)	$	55,275,544	$	53,682,766
TOTAL LIABILITIES AND NET POSITION	$	107,372,340	$	103,133,294

Schedule 8

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
SOLID WASTE DIVISION
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

		2024		2023
Operating Revenues:				
Tipping Fees	$	31,972,139	$	30,462,001
Collections and Recycling Income		12,607,870		14,278,253
Grant Income		2,099,900		517,680
Composting Income		1,266,663		1,253,407
Other		1,652,312		1,440,578
Total Operating Revenues		49,598,884		47,951,919
Operating Expenses:				
Salaries		12,923,577		13,105,567
Employee Benefits		7,918,104		7,809,457
Power and Utilities		481,781		492,562
Fuel		1,581,937		1,723,467
Supplies and Miscellaneous Maintenance		4,102,946		4,150,290
Indirect Operating Expenses		7,351,174		8,354,537
Administrative		1,905,489		1,341,915
Community Benefit		3,135,809		3,086,646
Recycling and Other Taxes		1,126,831		1,152,963
Depreciation		7,625,417		11,355,582
Total Operating Expenses		48,153,065		52,572,986
Operating Income		1,445,819		(4,621,067)
Non - Operating Revenues / (Expenses):				
County appropriation		(450,000)		(450,000)
Interest Income		1,965,610		1,769,876
Interest Expense		(66,489)		(96,217)
Gain on sale of fixed assets		71,500		19,000
Pension Adjustment		-		(6,222)
Adjustment to landfill closure and post-closure care cost		(1,373,662)		(1,567,057)
Total Non - Operating Expenses		146,959		(330,620)
Net Income / (Loss)		1,592,778		(4,951,687)
Net Position (Deficit), January 1		53,682,766		58,634,453
Net Position (Deficit), December 31	$	55,275,544	$	53,682,766
Reconciliation to Statements of Revenues, Expenses and Changes in Net Position - GAAP Basis:				
Net Income - modified accrual basis	$	1,592,778	$	(4,951,687)
Prior Year solid waste GAAP adjustment		(602,783)		(235,710)
Current year solid waste GAAP adjustment		473,165		602,783
Unbudgeted pension expense		372,101		1,730,429
Unbudgeted OPEB expense		(204,884)		337,797
Net Income / (Loss) - GAAP Basis	$	1,630,377	$	(2,516,388)

Schedule 9

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
SOLID WASTE DIVISION
SCHEDULE OF REVENUES AND COSTS FUNDED BY OPERATING REVENUES COMPARED TO BUDGET - RATE BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance
Operating Revenues:			
Tipping Fees	$ 31,784,619	$ 31,972,139	$ 187,520
Collections and Recycling Income	12,844,399	12,607,870	(236,529)
Composting Income	1,240,858	1,266,663	25,805
Other	1,410,491	3,752,212	2,341,721
Interest Income	375,000	1,127,068	752,068
Fund Balance Anticipated	450,000	450,000	-
Total Operating Revenues	48,105,367	51,175,952	3,070,585
Operating Expenses:			
Administration	4,200,562	4,571,905	371,343
Solid Waste Administration	1,544,670	1,566,286	21,616
Transfer Station Operations	1,530,504	1,293,530	(236,974)
Composting Operations	503,175	410,677	(92,498)
Landfill Operations	10,753,448	11,016,428	262,980
Recycling Center Processing	2,890,276	2,458,042	(432,234)
Collections	11,995,232	11,725,006	(270,226)
Maintenance Center	8,157,884	7,913,421	(244,463)
Canceled Purchase Orders	-	(427,647)	(427,647)
Total Operating Expenses	41,575,751	40,527,648	(1,048,103)
Net Income from Operating Activities	6,529,616	10,648,304	4,118,688
Non-Operating expenses:			
County Appropriation	450,000	450,000	-
Capital Improvement Fund	1,068,246	1,036,685	(31,561)
Cell Wall Replacement Fund	3,543,134	3,438,444	(104,690)
Capital Lease Payments	1,405,000	1,405,000	-
Debt service interest	63,236	66,489	3,253
Debt service principal			-
Total Non-operating expenses:	6,529,616	6,396,618	(132,998)
Net Income	$ -	$ 4,251,686	4,251,686

Schedule 10

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
SOLID WASTE DIVISION
SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Description	Face Amount	Interest Rate	Due Date	Fair Value December 31, 2023
Unrestricted Accounts:				
Operations:				
Cash	$ 417,704			$ 417,704
Revenue Fund:				
NJ ARM	6,429,622	4.51%		6,429,622
Wells Fargo Gov't Money Market	3,317,511	4.49%		3,317,511
Wells Fargo Certificant of Deposit	1,000,000	4.00% - 5.50%	4/24/25-7/2/25	1,000,330
NJ ARM	1,797,886	4.51%		1,797,886
NJ ARM	1,149,064	4.51%		1,149,064
NJ ARM - Term Investments	275,691	4.16%	6/13/25	275,691
	14,387,478			14,387,808
Restricted Accounts:				
Construction Fund:				
Escrow Account - TD Lease	3,701,640	4.12%		3,701,640
	3,701,640			3,701,640
Renewal and Replacement Fund:				
NJ ARM	1,482,901	4.51%		1,482,901
NJ ARM	997	4.51%		997
	1,483,898			1,483,898
Standard Escrow Fund:				
ACUA Standard Escrow	8,650,257	Various	Various	8,650,257
ACUA Alternative Escrow	5,117,920	Various	Various	5,117,920
Pinelands Park Standard Escrow	12,069,421	Various	Various	12,069,421
Pinelands Park Alternative Escrow	5,156,755	Various	Various	5,156,755
	30,994,353			30,994,353
Total	$ 50,567,369			$ 50,567,699
Unrestricted:				
Cash and Cash Equivalents	$ 13,111,787			$ 13,111,787
Investments	1,275,691			1,276,021
Restricted:				
Cash and Cash Equivalents	5,185,538			5,185,538
Cash and Investments held by the State of New Jersey	30,994,353			30,994,353
	$ 50,567,369			$ 50,567,699

Schedule 11

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
SOLID WASTE DIVISION
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT AND OTHER PREOPERATING COSTS
MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, 2022, 2021 AND 2020

	2024	2023	2022	2021	2020
Waste Disposal:					
Additions (Deletions) During the Year:					
Property, Plant and Equipment:					
Buildings and Improvements	$ 96,215	$ 545,386	$ 22,543	$ 160,881	$ 213,947
Construction in progress	16,969,543	128,840	(12,993,710)	12,949,496	(6,723,771)
Equipment and Vehicles	(183,996)	27,300	769,085	1,177,554	1,932,600
Landfill Design and Implementation	891,805	234,587	15,215,911	200,808	10,416,409
Total Additions	17,773,567	936,113	3,013,829	14,488,739	5,839,185
Costs Capitalized at the Beginning of the Year	138,846,351	137,910,238	134,896,409	120,407,670	114,568,485
	156,619,918	138,846,351	137,910,238	134,896,409	120,407,670
Less:					
Accumulated Depreciation and Amortization	(113,393,168)	(108,836,509)	(99,297,638)	(93,524,621)	(94,766,830)
Total Property, Plant and Equipment, End of Year	$ 43,226,750	$ 30,009,842	$ 38,612,600	$ 41,371,788	$ 25,640,840

Schedule 11

ATLANTIC COUNTY UTILITIES AUTHORITY
(A Component Unit of the County of Atlantic, New Jersey)
SOLID WASTE DIVISION
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT AND OTHER PREOPERATING COSTS
MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, 2022, 2021 AND 2020

	2024	2023	2022	2021	2020
Waste Recycling:					
Additions (Deletions) During the Year:					
Property, Plant and Equipment:					
Buildings and Improvements	$	$ 77,574	$	$	$
Equipment and Vehicles		629,377		2,306,521	2,222,091
Total Additions	-	706,951	-	2,306,521	2,222,091
Costs Capitalized at the Beginning of the Year	48,271,992	47,565,041	47,565,041	45,258,520	43,036,429
	48,271,992	48,271,992	47,565,041	47,565,041	45,258,520
Less:					
Accumulated Depreciation and Amortization	(40,261,714)	(38,417,070)	(37,180,628)	(35,403,300)	(24,791,329)
Total Property, Plant and Equipment, End of Year	$ 8,010,278	9,854,922	$ 10,384,413	$ 12,161,741	$ 20,467,191
Grand Total	$ 51,237,028	39,864,764	$ 48,997,013	$ 53,533,529	$ 46,108,031