CAMDEN COUNTY
MUNICIPAL UTILITIES AUTHORITY

REPORT OF AUDIT

WITH
SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

31700

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

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CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Roster of Officials

December 31, 2017

Commissioners	**Position**
Michael G. Brennan	Chairman
James Bresch	Vice – Chairman
Jeffrey S. Swartz	Treasurer
Dorothy A. Burley	Commissioner
Woodrow Cuffee	Commissioner
James MacFarlane	Commissioner
Bradford Stokes	Commissioner
Anne Cutler	Commissioner
Stella Sytnik	Commissioner

Other Officials	**Position**
Andrew Kricun	Executive Director / Chief Engineer
Scott Schreiber	Director of Administrative Operations
Wayne Planamento	Chief Financial Officer
Robert Cornforth	Director of Operations and Maintenance
Leonard Gipson	Director of Operations and Maintenance, Wastewater Treatment
Kim Michelini	Authority Secretary
Brown & Connery	Solicitor
Bank of New York Mellon (NJ)	Trustee

CAMDEN COUNTY
MUNICIPAL UTILITIES AUTHORITY

PART I

FINANCIAL SECTION

FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

The Chairman and Commissioners of
Camden County Municipal Utilities Authority
Camden County, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, a component unit of the County of Camden (Authority), as of and for the years ended December 31, 2017 and 2016 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, a component unit of the County of Camden as of December 31, 2017 and 2016, and the changes in its financial position and its cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of the net pension liability and schedule of the Authority's contributions as listed 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.

Other Information

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

The accompanying supplementary schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary schedules, as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2018 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 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.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 18, 2018

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

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
Camden County Municipal Utilities Authority
Camden County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, a component unit of the County of Camden, (Authority), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 18, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 18, 2018

INTRODUCTION TO THE ANNUAL REPORT

The following Management's Discussion and Analysis (MD&A) of the Camden County Municipal Utilities Authority provides an introduction to the financial statements of the Authority for the year ended December 31, 2017. The financial section of the annual report consists of three sections: Management's Discussion and Analysis (this section), the basic financial statements together with the notes thereto and supplemental information. The financial statements section provides comparisons between current and prior years' results as well as budgeted and actual results on a supplemental schedule.

The Authority's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America, promulgated by the Governmental Accounting Standards Board. The Authority is structured as a single enterprise fund with revenues recognized when earned and expenses recognized when incurred. Capital assets are capitalized and depreciated over their useful lives (with the exception of land and construction in progress). See notes to the financial statements for a summary of the Authority's significant accounting policies.

THE FINANCIAL STATEMENTS

The "Comparative Statements of Net Position" provide information about the nature and amounts of investments in resources (assets), future period reductions of net position (Deferred Outflows of Resources), the obligations to Authority's creditors (liabilities) and future period acquisitions of net position (Deferred Inflows of Resources) with the difference reported as Net Position.

The "Comparative Statements of Revenues, Expenses and Changes in Net Position" account for all of the current year's revenues and expenses, measures the success of the Authority's operations over the past two years and can be used to determine how the Authority has funded its costs.

The "Comparative Statements of Cash Flows" provide information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

The "Notes to Financial Statements" contain information that is essential to understanding the basic financial statements, such as the Authority's accounting methods and policies. The details of contractual obligations and future commitments and contingencies of the Authority are also included. Likewise, any other events or developing situations that could materially affect the Authority's financial position are noted.

SUPPLEMENTARY INFORMATION

This section provides presentations of the Authority's financial information in accordance with the requirements of the various Bond Resolutions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Authority's financial statements, the Management's Discussion and Analysis (MD&A), presents an overview of the Authority's financial performance during the year ended December 31, 2017 compared to December 31, 2016 and December 31, 2015. It provides an assessment of how the Authority's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Authority's overall financial position. It may contain opinions, assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements described above.

The following table provides a summary of the Authority's net position for 2017, 2016 and 2015.

SUMMARY OF FINANCIAL POSITION

	2017	2016	2015
ASSETS			
Unrestricted Assets	$ 21,634,960	$ 15,724,440	$ 25,392,627
Restricted Assets	11,923,028	17,739,278	19,157,756
Capital Assets, Net	448,789,689	464,853,540	482,386,399
Other Capital Assets, Net	11,719,742	12,119,457	10,458,213
Total Assets	494,067,419	510,436,715	537,394,995
DEFERRED OUTFLOWS OF RESOURCES	8,808,178	12,716,221	5,211,206
LIABILITIES			
Current Liabilities	60,649,924	86,266,582	72,971,509
Total Long-Term Liabilities	152,775,701	175,966,113	226,285,632
Total Liabilities	213,425,625	262,232,695	299,257,141
DEFERRED INFLOWS OF RESOURCES	6,291,417	252,729	836,024
NET POSITION			
Net Investment in Capital Assets	314,948,322	271,220,124	237,530,934
Restricted for Bond Covenants	6,546,000	7,352,024	7,332,886
Unrestricted	(38,335,767)	(17,904,636)	(2,350,784)
Total Net Position	$ 283,158,555	$ 260,667,512	$ 242,513,036

CHANGES IN FINANCIAL POSITION

During the year ended December 31, 2015, the Authority was required to implement Governmental Accounting Standard Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The pension liability is based on an actuarial estimate and the actual payments may vary as they will be paid over the employees' lifetime through retirement. The following table provides in illustration of the impact that GASBS 68 and 71 had to the Authority's Unrestricted Net Position.

Statement of Net Position - Effect of Pension Related Items

	2017	2016	2015
Deferred Outflows of Net Positions	$ 8,230,985	$ 11,826,865	$ 4,499,339
Less: Accounts Payable Related to Pensions	(1,072,518)	(1,067,762)	(962,625)
Less: Accrued Liability Related to Pensions	(536,259)	(533,881)	(481,313)
Less: Net Pension Liability	(26,950,224)	(35,597,204)	(25,134,585)
Less: Deferred Inflows Related to Pensions	(6,197,032)	-	(404,116)
	$ (26,525,048)	$ (25,371,982)	$ (22,483,300)

Since this pension liability is considered a long-term liability, the Authority's management does not include these amounts when making current operating decisions. Management feels the current ratio, which is the comparison of current assets to current liabilities, combined with the fact that there will be a significant reduction in current debt service payments in 2018 is the best way to evaluate the operations of the Authority.

In 2017, the Authority's net position increased by 8.63% from 2016 and increased by 16.76% from 2015. The increases over 2016 and 2015 were due to the continued pay down of long-term debt and related decrease in interest expense. Interest expense in 2017 decreased by $2,416,768 or 32.27% from 2016 and decreased by $5,780,287 or 52.80% from 2015.

The purchase of a Municipal Bond Debt Service Reserve Insurance Policy to cover the debt service reserve requirement allowed the Authority to de-obligate $18,000,000 of investments that were previously restricted. These funds were used to finance a portion of the operations and capital program of the Authority without increasing rates. Management feels a large rate increase would not have been appropriate to finance the additional operation and capital needs due to the previously mentioned significant drop in debt service in 2018.

The Authority's Bond Resolutions and State Regulations govern Restricted Assets. The category Restricted Assets decreased by 32.79% from 2016 and decreased by 37.76% from 2015 due to a decrease in Cash Held by Fiscal Agent as well as a decrease in restricted investments as the Authority used the Debt Service Reserve Fund and Special Reserve Fund to pay down the debt after a Municipal Bond Debt Service Reserve Insurance Policy had been obtained in the amount of $18 million.

CHANGES IN FINANCIAL POSITION (CONT'D)

The decrease in Long-Term Liabilities comes primarily from pay down of debts in the form of Bonds and Loans. The Authority continues to reduce its outstanding debt from its User Revenues and Debt Service Reserve Fund as required by the Bond Resolution.

CHANGES IN NET POSITION	2017	2016	2015
OPERATING REVENUE			
User Charges and Fees	$ 84,011,697	$ 83,825,295	$ 82,716,339
Other Revenue	6,212,979	7,160,207	6,497,100
Total Operating Revenues	90,224,676	90,985,502	89,213,439
OPERATING EXPENSES			
Administration	9,972,707	11,063,739	10,102,891
Cost of Providing Services	28,057,351	29,540,265	29,550,109
Depreciation	25,482,697	25,487,920	25,705,503
Total Operating Expenses	63,512,755	66,091,924	65,358,503
OPERATING INCOME	26,711,921	24,893,578	23,854,936
NONOPERATING REVENUE (EXPENSES):			
Investment Income	230,092	214,607	187,036
Grant Revenes	60,571		
Interest Expense	(5,167,333)	(7,629,101)	(10,947,620)
Bond Issuance Costs	(84,573)	(92,541)	(262,727)
Contribution to the County of Camden			(3,401,873)
Net Gain (Loss) on Disposition of Capital Assets, and Other Non Operating Revenue (Expense)	(259,635)	(232,067)	(801,849)
TOTAL NON-OPERATING ITEMS	(5,220,878)	(7,739,102)	(15,227,033)
Income Before Contributions	21,491,043	17,154,476	8,627,903
Capital Contributions	1,000,000	1,000,000	2,000,000
Increase in Net Position	22,491,043	18,154,476	10,627,903
Total Net Position Jan. 1	260,667,512	242,513,036	231,885,133
Net Position Dec. 31	$ 283,158,555	$ 260,667,512	$ 242,513,036

CHANGES IN NET POSITION (CONT'D)

The 2017 total operating revenue showed an overall decrease of 0.84% from 2016 and an increase of 1.13% from 2015. The decrease in 2017 from 2016 was due to lower connection fees realized as a substantial amount of connection fee was realized in 2016. Connection fees realized in 2017 were $867,405 or 20.25% lower than 2016. The increase over 2015 was a result of increased service charge from industrial users that had connected in 2016 and are being billed service charges in 2017.

The Authority's total operating expenses in 2017 decreased by $2,579,169 or 3.90% from 2016 and decreased by $1,845,748 or 2.82% from 2015. The decrease in 2017 from 2016 was due to reductions in pension expense, chemical expense and repair and maintenance costs.

In 2017, Non-operating revenue, net of expenses, decreased by 32.54% compared to 2016 and by 65.71% compared to 2015 because of a reduction in interest expense and the Authority did not make contributions to the County of Camden in 2017 or 2016.

BUDGETARY HIGHLIGHTS

The Camden County Municipal Utilities Authority must adopt a budget in accordance with N.J.A.C. 5:31-2. The Budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Significant variances between the original adopted budget and the actual expenditure amounts fall within two categories of favorable and unfavorable and the unfavorable ones, along with explanations, can be seen in detail below.

Category	Appropriation	Expenditure	Excess	Comment on Excess
Administration:				
Other Expenses	$3,529,473	$4,191,190	$661,717	Higher than expected bank fees and debt service admin fees; higher than expected bad debt expense and contingency expense.

DEBT ADMINISTRATION

During the year 2017, the Authority continued to pay down its outstanding debt from operating revenues and using the Debt Service Reserve Fund. The Authority had additional borrowings in 2017 from the New Jersey Environmental Infrastructure Trust to fund the Phase 2 of City of Camden Green and Grey Infrastructure Improvement project as well as refunding certain prior year New Jersey Environmental Infrastructure Trust Bonds.

In addition to capital borrowings and refunding, the Authority also entered into agreements with the County of Camden, as well as commercial lending banks for the provision of short term financing notes to fund a deficit in the Authority's revenue. As of December 31, 2017, the Authority has one tax-exempt and one taxable subordinate temporary funding notes in the aggregate amount of $29,000,000 with a maturity date of August 2, 2018.

CAPITAL IMPROVEMENTS AND CONSTRUCTION ACTIVITY

Note: All of the following construction projects will be funded with New Jersey Environmental Infrastructure Trust loans with 30-year terms and below market interest rates (currently below 1%).

A) Wastewater Treatment Plant----In 2017, the CCMUA was in the design phase for four improvements to the treatment plant. Construction for each of these projects should start in 2018.

1) Improvements to Delaware #1 Water Pollution Control Facility's (WPCF) Raw Sewage Pumps – this improvement will increase the total pumping capacity at the headworks of the plant and will allow for more efficient and accurate control of the pump system via the installation of variable frequency drives. Estimated Cost - $10,000,000.

2) Construction of a New Junction Chamber at the Delaware #1 WPCF Headworks – a new junction chamber will be constructed which will allow the Camden City interceptor and the County interceptor to be separated thereby allowing for more flow from each line during storm events. Estimated Cost - $7,000,000.

3) Wet Weather Capacity Improvements – Hydraulic bottlenecks within Delaware #1 will be eliminated via construction, which will increase the wet weather capacity of the plant to 185 MGD (currently 150 MGD). Estimated Cost - $4,000,000.

4) Sludge Digester and Combined Heat & Power System – a sludge digester will be constructed which will eliminate 50% of the sludge that is currently being disposed of via landfill at a cost of approximately $105/ton. Gas produced by the digestion process will be fed to a combined heat and power system, which produce approximately 90% to 95% of the Delaware #1 WPCF's electricity needs. Cost - $76,164,967 – a 19% grant has been secured for this project.

Construction on the Digester began on February 1st and the CHP started on May 1st 2018.

B) Camden City Combined Sewer Overflow System Improvements to Mitigate Combined Sewage Flooding

1) Camden City Green and Gray Infrastructure, Phase III. Phase III is similar in scope to Phases I and II. The project is currently in the design and permitting stage. Construction began in 2017 and will end in 2018. Cost - $2,641,264.

2) Construction of a Stormwater Pump Station – in an effort to eliminate flooding in the Central Camden Waterfront Area, the CCMUA is currently designing a pump station, which will allow flood control up to a ten-year storm. Estimated Cost - $22,500,000 ($16,500,000 – CCMUA & $6,000,000 - Camden City). Construction to begin in 2018.

CAPITAL IMPROVEMENTS AND CONSTRUCTION ACTIVITY (CONT'D)

B) Camden City Combined Sewer Overflow System Improvements to Mitigate Combined Sewage Flooding (Cont'd)

3) Upgrade to Camden City Collection System – in conjunction with the stormwater pump station, the CCMUA is designing improvements to the Camden City collection system, which will allow for the elimination of flooding at the Central Camden Waterfront during storm events up to a ten-year period. Camden City is responsible for the construction cost associated with this project. Estimated Cost - $3,500,000. Construction to begin in 2018.
4) Dredging of Camden City Combined Sewer Outfalls – in conjunction with the stormwater pump station and collection system upgrades, the CCMUA is designing a plan to dredge 9 outfalls thereby allowing the combined sewer system to operate as designed. Camden City is responsible for the construction cost associated with the project. Estimated Cost - $4,000,000. Construction to begin in 2018.
5) Green Infrastructure in Support of Elimination of Flooding in Central Camden Waterfront District Projects – a series of green infrastructure projects is being designed which will eliminate approximately 7,000,000 gallons per year from the combined sewer system. Estimated Cost - $6,000,000 including a $2,000,000 grant from the NJEIT. Construction to begin in 2018.

C) Newton Lake Dredging – Design of dredging needed to return Newton Lake to optimal health. The apportionment of the construction cost responsibility, between the County and the CCMUA, remains. Estimated Cost - $25,000,000. Construction to begin in 2018.

D) Regulatory Requirements ----In March 2015, the NJDEP issued a new permit to the CCMUA, Camden and Gloucester Cities which requires these entities to work together to develop a long term, sustainable plan to eliminate combined sewage flooding and combined sewage overflows. This will require, ultimately, implementation of a multi-pronged approach including a significant amount of capital improvements to both the CCMUA's sewage treatment plant and the Cities' sewer collection systems. The CCMUA is currently developing the NJDEP-required plan and expects to submit the plan within 18 months.

ADDITIONAL FINANCIAL INFORMATION

This Financial Report is designed to provide the Authority's customers, investors and other interested parties with an overview of the Authority's financial operations and financial condition. Should the reader have questions regarding the information contained in this report or wish to request additional financial information, please contact Wayne Planamento, Chief Financial Officer, at 1645 Ferry Avenue, Camden, New Jersey 08104.

BASIC FINANCIAL STATEMENTS

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Comparative Statements of Net Position
As of December 31, 2017 and 2016

	2017	2016
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	$ 10,175,942	$ 3,207,213
Accounts Receivable	11,453,783	12,516,662
Accrued Interest Receivable	4,735	65
Other	500	500
Total Unrestricted Assets	21,634,960	15,724,440
Restricted Assets:		
Cash and Cash Equivalents	8,467,968	7,599,768
Cash Held by Fiscal Agent	643,745	1,635,561
Investments	2,638,124	8,066,789
Due from State of New Jersey -- NJDEP Fund Receivable	102,711	
Grants Receivable	60,571	420,000
Accrued Interest Receivable	9,909	17,160
Total Restricted Assets	11,923,028	17,739,278
Total Current Assets	33,557,988	33,463,718
Noncurrent Assets:		
Restricted Assets:		
Capital Assets:		
Utility Plant-In Service, Net of Accumulated Depreciation	437,021,133	452,533,235
Construction in Progress	11,768,556	12,320,305
Other Capital Assets, Net of Accumulated Depreciation	11,719,742	12,119,457
Total Capital Assets	460,509,431	476,972,997
Total Noncurrent Assets	460,509,431	476,972,997
Total Assets	494,067,419	510,436,715
DEFERRED OUTFLOWS OF RESOURCES		
Pre-Operating Costs	21,058	28,076
Deferred Loss on Refunding of Debt	556,135	861,280
Related to Pensions	8,230,985	11,826,865
Total Deferred Outflows of Resources	8,808,178	12,716,221

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Comparative Statements of Net Position
As of December 31, 2017 and 2016

	2017	2016
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	$ 3,929,989	$ 4,472,313
Accounts Payable - Related to Pension	1,072,518	1,067,762
Accrued Expenses	837,566	974,756
Notes Payable	29,000,000	6,000,000
Reserve for Grant Expenditures:		
Clean Water Enforcement Act	2,972,949	2,949,849
Total Current Liabilities Payable from Unrestricted Assets	37,813,022	15,464,680
Current Liabilities Payable from Restricted Assets:		
Retainages Payable	839,560	776,977
Current Maturities of Long-Term Debt	20,974,487	68,810,364
Accrued Interest Payable	1,022,855	1,214,561
Total Current Liabilities Payable from Restricted Assets	22,836,902	70,801,902
Long-Term Liabilities Payable:		
Net Pension Liability	26,950,224	35,597,204
Accrued Liabilities - Related to Pension	536,259	533,881
Long-term Debt	125,289,218	139,835,028
Total Long-Term Liabilities	152,775,701	175,966,113
Total Liabilities	213,425,625	262,232,695
DEFERRED INFLOWS OF RESOURCES		
Deferred Interest Revenue	94,385	252,729
Related to Pensions	6,197,032	
Total Deferred Inflows of Resources	6,291,417	252,729
NET POSITION		
Net Investment in Capital Assets	314,948,322	271,220,124
Restricted	6,546,000	7,352,024
Unrestricted (Deficit)	(38,335,767)	(17,904,636)
Total Net Position	$ 283,158,555	$ 260,667,512

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2017 and 2016

	2017	2016
OPERATING REVENUE		
User Charges and Fees	$ 84,011,697	$ 83,825,295
Connection Fees	3,415,349	4,282,754
Other	2,797,630	2,877,453
Total Operating Revenues	90,224,676	90,985,502
OPERATING EXPENSES		
Administration:		
Salary & Wages	2,021,046	1,996,322
Fringe Benefits	3,760,471	5,213,598
Other Expenses	4,191,190	3,853,819
Cost of Providing Services:		
Salary & Wages	7,609,465	7,576,403
Fringe Benefits	2,016,014	2,643,640
Other Expenses	18,431,872	19,320,222
Depreciation	25,482,697	25,487,920
Total Operating Expenses	63,512,755	66,091,924
OPERATING INCOME	26,711,921	24,893,578
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	234,961	254,605
Grant Revenues	60,571	
Unrealized Loss on Investments	(4,869)	(39,998)
Interest Expense on Long Term Debt	(4,641,997)	(7,629,101)
Interest Expense on Short Term Debt	(525,336)	
Bond Issuance Costs	(84,573)	(92,541)
Amortization of Pre-Operating Costs	(7,019)	(9,014)
Community Service Projects	(252,616)	(223,053)
Total Non-operating Revenues (Expenses)	(5,220,878)	(7,739,102)
INCOME BEFORE CONTRIBUTIONS	21,491,043	17,154,476
CAPITAL CONTRIBUTIONS	1,000,000	1,000,000
CHANGE IN NET POSITION	22,491,043	18,154,476
NET POSITION - BEGINNING	260,667,512	242,513,036
NET POSITION - ENDING	$ 283,158,555	$ 260,667,512

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Comparative Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities:		
Receipts from Customers and Users	$ 85,074,576	$ 84,588,205
Other Operating Receipts	6,492,797	6,962,307
Payments to Suppliers	(23,302,576)	(22,963,085)
Payments to Employees	(14,253,931)	(14,541,282)
Net Cash Provided by Operating Activities	54,010,866	54,046,145
Cash Flows from Capital and Related Financing Activities:		
Principal Paid on Bonds	(60,522,266)	(56,303,152)
Payments of Defeased Bonds	(6,816,901)	(7,395,000)
Interest Paid on Bonds	(5,735,138)	(8,964,325)
Interest Paid on Notes	(213,160)	
Proceeds from Issuance of Long Term Debt	1,370,000	5,386,901
Proceeds from Refunding Bonds	4,356,174	6,672,000
Proceeds from Issuance of Notes	38,000,000	21,000,000
Receipts of Cash Held by Fiscal Agents	991,816	833,799
Premium Received on Debt Issued	125,711	1,690,803
Bond Issuance Costs	(84,573)	(92,541)
Receipts from Grants	60,571	
Payment of Notes	(15,000,000)	(15,000,000)
Acquisition and Construction of Capital Assets	(9,209,165)	(9,895,993)
Capital Contributions	1,000,000	1,000,000
Net Cash Used in Capital and Related Financing Activities	(51,676,931)	(61,067,508)
Cash Flows from Investing Activities:		
Investment Income	237,540	261,524
Deferred Interest Revenue	(158,344)	(179,179)
Redemption of Investments	8,061,922	
Purchase of Investments	(2,638,124)	
Net Cash Provided by Investing Activities	5,502,994	82,345
Net Decrease in Cash and Cash Equivalents	7,836,929	(6,939,018)
Cash and Cash Equivalents - January 1	10,806,981	17,745,999
Cash and Cash Equivalents - December 31	$ 18,643,910	$ 10,806,981

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Comparative Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities:		
Operating Income	$ 26,711,921	$ 24,893,578
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities:		
Depreciation	25,482,697	25,487,920
Pension Liability Expense - GASB 68	1,153,065	2,888,681
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	1,062,879	762,910
(Increase) Decrease in Grants and Loan Receivable	256,718	(230,000)
Increase (Decrease) in Unrestricted Accounts		
Payable and Accrued Expenses	(679,514)	210,956
Increase (Decrease) in Reserve for Grants	23,100	32,100
Net Cash Provided by Operating Activities	$ 54,010,866	$ 54,046,145

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Notes to Financial Statements
For the Years Ended December 31, 2017 and 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Camden County Municipal Utilities Authority (the "Authority") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Reporting Entity

The Camden County Municipal Utilities Authority is a public body corporate and politic of the State of New Jersey and was originally created by an ordinance duly adopted on March 15, 1972 by the Board of Chosen Freeholders of the County of Camden, State of New Jersey.

The Authority was created for the purpose of acquiring, constructing, maintaining and operating facilities for the collection, treatment, purification or disposal of sewerage or other wastes for the relief of waters in, bordering or entering the County of Camden (the "County") from pollution or threatened pollution and for the improvement of conditions affecting the public health.

The Authority has entered into a service agreement with its member municipalities within the County. The Authority bills and collects its revenue from the users of the system sufficient to pay or provide for the expenses of operation, repair and maintenance of the system, debt service, deficits (if any), and maintain reserves and sinking funds as may be required.

The County is obligated to pay the Authority, pursuant to a Deficiency Agreement, any annual charges equal to any deficits in revenues necessary to pay or provide for (i) operation and maintenance expenses, (ii) principal and interest payments on bonds and notes in an aggregate principal amount not to exceed $685,500,000 and (iii) the maintenance of reserves required under the Bond Resolution securing the Authority's bonds and notes.

Component Unit

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Component Unit (Cont'd)

Based upon the application of these criteria, the Authority has no component units and is a component unit of the County of Camden.

Basis of Presentation

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Sewer service charges are recognized as revenue when services are provided. Connection fees are paid to the Authority at the time a property applies for connection to the regional sewer system and are recognized as revenue when the funds are received. At the time the municipality issues a release for certificate of occupancy, the Authority determines that sewage collection services are being provided to the properties and begins the billing process.

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Budgets and Budgetary Accounting

The Authority must adopt an annual budget in accordance with N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current year and to adopt not later than the beginning of the Authority's year. The governing body may amend the budget at any point during the year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, bond issue costs, bond premiums, deferred loss on defeasance are not included in the budget appropriations.

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

Budgets and Budgetary Accounting (Cont'd)

The legal level of budgetary control is established at the detail shown on the Comparative Statement of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended. The Authority did not adopt an amending budget resolution during the year.

The Authority records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Authority has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories

Inventory consists principally of chemicals for the treatment of waste water, sewerage and sludge and is valued at cost. The Authority has determined that the inventories are immaterial and are not recorded in the financial statements.

Prepaid Expenses

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the applicable year end. The Authority had no prepaid expenses for the years ended December 31, 2017 and 2016.

Capital Assets

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets purchased are stated at actual cost. Donated capital assets are recorded at their fair market value as of the date received.

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Costs incurred during construction of an asset are recorded as construction in progress. In the year that the project is completed, these costs are transferred to Utility Plant-In Service. Interest costs incurred during construction are not capitalized into the cost of the asset.

Expenditures are capitalized when they meet the following requirements:

1) Cost of $5,000.00 or more
2) Useful life of more than one year
3) Asset is not affected by consumption

Depreciation

Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	Years
Plant	50
Interceptors	75
Heavy Duty Vehicles	10
Office Furniture and Equipment	10
Other	5

Bond Premiums

Bond premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in a systematic and rational method, from the issue date to maturity as a component of interest expense. Bond premiums are presented as an adjustment of the face amount on the bonds.

Deferred Outflows of Resources

The Authority reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its statements of net position. The deferred outflows of resources reported in this year's financial statements are preoperating cost, a deferred amount arising from a loss on refunding of long term debt and a deferred outflow of resources for contributions made to the Authority's defined benefit pension plans between the measurement date of the net pension liabilities from those plans and the end of the Authority's year. The deferred refunding amount is being amortized over the remaining life of the refunding bonds as part of interest expense.

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

Deferred Inflows of Resources

The Authority's statements of net position report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to future periods. Deferred inflows of resources are reported in the Authority's comparative statements of net position for a deferred interest revenue and for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense. This deferred inflow of resources is attributed to pension expense over a total of five (5) years, including the current year.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and other compensated time . A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the Authority is eligible to realize the revenue.

Pensions

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

Net Position

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments"*, the Authority has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Net Position (Cont'd)

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets." This component includes net position that may be allocated for specific purposes by the Board.

Income Taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from waste water treatment and sewer collection facilities (i.e., user service charges and connection fees) and other revenue sources. Non-operating revenues principally consist of certain grant revenues and interest income earned on various interest-bearing accounts and on investments in debt securities.

Operating expenses include expenses associated with the operation, maintenance and repair of the treatment system and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt, bond issuance costs, amortization and other community service projects.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Impact of Recently Issued Accounting Policies

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2017, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The adoption of this Statement had no impact on the Authority's financial statements.

Also, the Authority adopted GASB Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The adoption of this Statement had no impact on the Authority's financial statements.

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

Recently Issued and Adopted Accounting Pronouncements (Cont'd)

Next, the Authority adopted GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The adoption of this Statement had no impact on the Authority's financial statements.

Lastly, the Authority adopted GASB Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption of this Statement had no impact on the Authority's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the Authority in the year ending December 31, 2018. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The Statement will become effective for the Authority in the year ending December 31, 2019. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the Authority in the year ending December 31, 2020. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 85, *Omnibus 2017.* The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The Statement will become effective for the Authority in the year ending December 31, 2018. anagement does not expect this Statement will have an impact on the financial statements.

Statement No. 86, *Certain Debt Extinguishment Issues.* The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The Statement will become effective for the Authority in the year ending December 31, 2018. Management has not yet determined the impact of this Statement on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recently Issued Accounting Pronouncements (Cont'd)

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement will become effective for the Authority in the year ending December 31, 2020. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement will become effective for the Authority in the year ending December 31, 2019. Management has not yet determined the impact of this Statement on the financial statements

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions
Management of the Authority is unaware of any material violations of finance related legal and contractual provisions.

General Bond Resolution
The Authority is subject to the provisions and restrictions of the 1987 Sewer Revenue Bond Resolution adopted May 26, 1987 and all subsequent supplemental resolutions. An Amended and Restated Sewer Revenue Bond Resolution was adopted on October 10, 1995, in order to consolidate all previous supplemental resolutions to date. A summary of the activities of each fund created by the Bond Resolution is covered below.

Revenue Fund - The Revenue Fund accounts for resources and expenditures of a general nature. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the excess funds may be used by the Authority for any lawful purpose.

Debt Service – The Debt Service Fund must maintain a balance on deposit sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds and loans, principal amounts maturing on bonds and loans and sinking fund installments, when such payments are required.

Debt Service Reserve Fund – The amount of funds on deposit must be maintained at a level equal to Maximum Debt Service to insure funds are available for payment of debt service.

Renewal and Replacement Fund – These funds are maintained for reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements or maintenance items of a type not recurring annually.

Construction Account – The Construction Fund is held by the Trustee and shall be applied to pay the cost of projects and is pledged, pending application to such costs, for the security of the payment of principal and interest on the Sewer Revenue Bonds.

Special Reserve Fund – The Special Reserve Fund accounts for funds in accordance with the Special Reserve Fund Deposit Requirement.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)

Excess Expenditures over Appropriations

The following appropriation categories had expenditures that exceed appropriations for the year ended December 31, 2017:

Category	Appropriation	Expenditures	Excess	Comment on Excess
Administration:				
Other Expenses	$3,529,473	$4,191,190	$661,717	Higher than expected bank fees and debt service admin fees; higher than expected bad debt expense and contingency expense.

Debt Service Coverage

Section 4.01 of the Amended and Restated Bond Resolution adopted October 10, 1995 requires certain ratios of Net Revenues at least equal to 1.00 times the Debt Service Requirements of Bonds within the coverage of the County Agreement for such Bond Year. Pursuant to the understanding at the time of issuance of the Sewer Revenue Capital Appreciation Bonds any accretion in value of the Capital Appreciation Bonds above the original principal amount of the Bonds at initial issuance is treated as accreted interest for the purpose of defining coverage within the County Agreement.
Compliance with this covenant is calculated as follows:

1995 Bond Resolution	Bond Year Ending December 31, 2017
Gross Revenues:	
Operating Revenues	$ 90,224,676
Interest Income	234,961
Total Gross Revenues	90,459,637
Operating Expenses, exclusive of depreciation	38,030,058
Net Revenues	52,429,579
Debt Service Requirement of all Bonds issued under this Resolution (treating all Bonds as a single issue of Bonds for purposes of this calculation) *	56,068,075
Temporary Funding Notes	(13,583,459)
	42,484,616
Sufficiency of Net Revenues	$ 9,944,963

The amount of outstanding bonds is less than $685,500,000 and all such bonds are entitled to the benefits of the County Agreement.

* Annual Debt Service stated above does not include amortization of bond premiums, deferred amount on defeasance or accreted interest on capital appreciation bonds.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)

Renewal and Replacement/System Reserve Requirement

In accordance with Section 6.15 of the Amended and Restated Bond Resolution adopted October 10, 1995, within thirty (30) days prior to the end of each year, the Authority shall certify as of the end of such year or the beginning of the succeeding year the amount which is reasonably required to be held in the System Reserve Account in the Renewal and Replacement Fund as the then-current System Reserve Requirement. As defined in the bond resolution, the system reserve requirement shall mean the greater of:

(a1) the amount stated as required as a reserve in the System Reserve Account in the Consulting Engineer's Certificate most recently filed with the Trustee pursuant to Section 6.15 hereof, plus the	$	3,028,000
(a2) Consulting Engineer's Certificate for Plant Renewal and Replacement		3,518,000
Total Consulting Engineer's Certified Amount	$	6,546,000
or (b) five percent (5%) of the Gross Revenues set forth in the Authority's then current Annual Budget ($93,608,035 x 5%)	$	4,680,402
Total Renewal and Replacement / System Reserve	$	6,546,000
Amount of Renewal and Replacement / System Reserve Funded		6,546,000
Overfunded Total Renewal and Replacement / System Reserve	$	-

The bond resolution established four (4) levels of funds that must be maintained and are ordered by priority. The fourth and lowest prioritized level is the Renewal and Replacement Fund/System Reserve Account. If there are insufficient funds in this account, the Trustee is directed to transfer funds into the reserve as they become available.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)

Debt Service Reserve Requirement

Section 1.01 of the Amended and Restated Bond Resolution adopted October 10, 1995 indicates the debt service reserve requirement shall mean the lesser of:

(a) the Maximum Annual Debt Service Requirement of all Bonds issued under this Resolution (treating all Bonds as a single issue of Bonds for purposes of this calculation),		$ 12,294,388
or		
(b) the sum of:		
(i) the then applicable Periodic Debt Service Reserve Requirement,		$ 40,387,238
(ii) upon the issuance of any series of Additional Bonds after the 1990 Bonds, the Maximum Annual Debt Service Requirement on all Outstanding Bonds of such series less the amount, if any, of the reduction in the Maximum Annual Debt Service on any series of Bonds refunded with such series of Additional Bonds:		
2000 Series A, 2000-05	$162,643	
2000 Series A, 2000-07	93,776	
2003 Series A	317,621	
2006 Series A	384,160	
2006 Series A (Refunding)	315,670	
2006 Series A (Refunding)	295,519	
		1,569,389
(iii) on December 2, 1997, the Maximum Annual Debt Service Requirement on any 1987 Bonds maturing on December 31, 2007 Or December 1, 2017 then outstanding.		-
		$ 41,956,627
Letter of Credit, as more fully described below		12,294,388
Restricted Net Position		$ -

Therefore, the defined Debt Service Reserve Requirement as of December 31, 2017 shall equal $12,294,388.

The Authority has funded the Debt Service Reserve Requirement as of December 31, 2017 as follows:

Amount on Deposit	$ 4,299,445
Interest Receivable	7,054
Credit Facility Instrument (Letter of Credit)	18,000,000
	$ 22,306,499

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)

Debt Service Reserve Requirement (Cont'd)

Letter of Credit - The Amended and Restated Bond Resolution adopted October 10, 1995 permits the Authority to evidence a portion of the Debt Service Reserve Requirement by a Credit Facility, which would allow for the removal of a corresponding amount of cash from the Debt Service Reserve Fund. On May 18, 2015, the Authority accepted a Credit Facility from Assured Municipal Corporation "AGM" in the form of Municipal Bond Debt Service Reserve Insurance Policy in the amount of $18,000,000. The policy allows the Authority to use cash and investments in the Debt Service Reserve to make current payments for debt principal and interest up to the amount of policy. The policy serves as the replacement of the cash and investments to meet the debt service reserve requirement as indicated in Section 1.01 of the amended and restated bond resolution adopted October 10, 1995.

Subordinate Bond Resolution

The Authority is further subject to the provisions and restrictions of several Subordinate Resolutions initially adopted on July 17, 2006 (the "Subordinate Resolution") as amended and supplemented at the time each subordinate bond is issued. Section 4 of the Subordinate Resolution creates an obligation on the Authority to the payment of principal and interest on the Subordinate Bonds. The Subordinate Bonds are secured by the pledge of amounts which may be withdrawn from the Renewal and Replacement Fund of the General Bond Resolution pursuant to and subject to the limitations of Paragraph (e) of Section 4.12, which states …the Trustee shall (i) … withdraw from and pay out of the Renewal and Replacement Fund, free and clear of the lien, pledge and security interest created hereby, any amounts in excess of the foregoing, which amounts as so withdrawn by the Authority may be used or applied by it to any lawful purpose of the Authority. The pledge of revenues and other such funds is subordinate to the provisions of the General Bond Resolution and the lien and pledge created by the General Bond Resolution.

Note 3: DETAIL NOTES - ASSETS

Cash and Cash Equivalents

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. Although the Authority does not have a formal policy regarding custodial credit risk, 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 (GUDPA). Under the Act, the first $250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Authority in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Authority relative to the happening of a future condition. If the Authority had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2017 and 2016, the Authority's bank balances were exposed to custodial credit risk as follows:

	2017	2016
Uninsured and Collateralized with Securities Held by Pledging Bank's Trust Department, but not in the Authority's Name	$ 20,965,522	$ 14,860,487
Insured by F.D.I.C.	1,000,000	1,000,000
Total Bank Balance	$ 21,965,522	$ 15,860,487

Note 3: DETAIL NOTES – ASSETS (Cont'd)

Investments

New Jersey authorities are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey authorities. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or other obligations of the local unit or units within which the Authority is located, bonds or other obligations approved by the Division of Investment in the Department of Treasury for investment by authorities, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. The Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counterparty to the transactions fails. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority has no investment policy to limit its exposure to custodial credit risk. All of the Authority's $2,638,124 as of December 31, 2017 and $8,066,789 as of December 31, 2016 investments in treasury obligations are uninsured and unregistered with securities held by the counterparty's trust department in the Authority's name.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority's investment policies place no limit on the amount the Authority may invest in any one issuer. All of the Authority's investments are in short-term treasury obligations investments.

As of December 31, 2017 and 2016 the Authority had the following investments:

Investment	Maturity Date	Moody's Credit Rating	Fair Value Hierarchy Level *	2017 Fair Value	2016 Fair Value
US Treasury Notes	08/31/18	Aaa	Level 1	$ 2,638,124	$ 8,066,789

*Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Level 3 inputs are unobservable inputs for the assets; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

Note 3: DETAIL NOTES – ASSETS (CONT'D)

Investments (Cont'd)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As stated in note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority has no investment policy that would further limit its exposure to credit risk.

Service Fees

The following is a three-year comparison of service charge billings and collections for all types of accounts maintained by the Authority:

Year	Beginning Balance	Billings	Total Collections	Percentage of Collections
2017	$ 12,516,662	$ 84,011,697	$ 85,074,576	88.13%
2016	13,279,572	83,825,295	84,588,205	87.11%
2015	14,382,343	82,716,339	83,819,110	86.32%

Accounts Receivable

At December 31, 2017 and 2016, the balance in Accounts Receivable was $11,453,783 and $12,516,662 respectively. The Authority's policy for allowance for doubtful accounts is to consider any account with a balance greater than 18 months old as a doubtful account.

Delinquent account balances are sold at tax sales by the applicable municipal tax collectors on behalf of the Authority, thereby creating a lien on the property of the delinquent account. Any collection of delinquent account balance by the municipal tax collectors is subsequently forwarded to the Authority.

Note 3: DETAIL NOTES – ASSETS (CONT'D)

Capital Assets

During the year ended December 31, 2017, the following changes in Capital Assets occurred:

	Balance Jan. 1, 2017	Additions	Transfers	Deletions	Balance Dec. 31, 2017
Capital Assets, not being depreciated:					
Land	$ 6,440,900				$ 6,440,900
Construction in Progress	12,320,305	$ 7,236,273	$ (7,788,022)		11,768,556
Total Capital Assets not being depreciated	18,761,205	7,236,273	(7,788,022)	$ -	18,209,456
Capital Assets, being depreciated:					
Plant, In Service:					
Preliminary Treatment Facility	30,970,508				30,970,508
Secondary Treatment Plant	277,713,117		7,788,022		285,501,139
Interceptors	174,765,647				174,765,647
Incinerator	3,813,619				3,813,619
Compost Facility	55,342,819				55,342,819
Pump Stations	185,167,629				185,167,629
Metering Stations	5,175,127				5,175,127
Consulting & Engineering	40,121,442				40,121,442
Capitalized Interest	73,517,899				73,517,899
Other:					
Administrative Building	2,716,556				2,716,556
Plant Machinery	30,840,840	1,713,222			32,554,062
Sundry	8,276,832	69,636			8,346,468
Total Capital Assets being depreciated	888,422,035	1,782,858	7,788,022	-	897,992,915
Less Accumulated Depreciation	430,210,243	25,482,697			455,692,940
Total Capital Assets being depreciated, Net	458,211,792	(23,699,839)	7,788,022	-	442,299,975
Total Capital Assets, Net	$ 476,972,997	$ (16,463,566)	$ -	$ -	$ 460,509,431

Note 3: DETAIL NOTES – ASSETS (CONT'D)

Capital Assets (Cont'd)

During the year ended December 31, 2016, the following changes in Capital Assets occurred:

	Balance Jan. 1, 2016	Additions	Transfers	Deletions	Balance Dec. 31, 2016
Capital Assets, not being depreciated:					
Land	$ 6,440,900				$ 6,440,900
Construction in Progress	6,841,833	$ 5,478,472			12,320,305
Total Capital Assets not being depreciated	13,282,733	5,478,472	-	-	18,761,205
Capital Assets, being depreciated:					
Plant, In Service:					
Preliminary Treatment Facility	30,970,508				30,970,508
Secondary Treatment Plant	277,026,971	686,146			277,713,117
Interceptors	174,765,647				174,765,647
Incinerator	3,813,619				3,813,619
Compost Facility	55,342,819				55,342,819
Pump Stations	185,195,654			$ (28,025.00)	185,167,629
Metering Stations	5,175,127				5,175,127
Consulting & Engineering	40,121,442				40,121,442
Capitalized Interest	73,517,899				73,517,899
Other:					
Administrative Building	2,716,556				2,716,556
Plant Machinery	27,890,639	3,251,904	$ (301,527.00)	(176.00)	30,840,840
Sundry	7,771,848	236,031	301,527	(32,574)	8,276,832
Total Capital Assets being depreciated	884,308,729	4,174,081	-	(60,775)	888,422,035
Less Accumulated Depreciation	404,746,850	25,487,920	-	(24,527)	430,210,243
Total Capital Assets being depreciated, Net	479,561,879	(21,313,839)	-	(36,248)	458,211,792
Total Capital Assets, Net	$ 492,844,612	$ (15,835,367)	$ -	$ (36,248)	$ 476,972,997

Note 4: DETAIL NOTES – DEFERRED OUTFLOWS OF RESOURCES

Preoperating Costs

Prior to the operation of sewer plants, the Authority incurred preoperating costs in the amount of $15,685,747. These costs are being amortized using the straight line method over 40 years from 1981 to 2021. The unamortized portion of preoperating costs is reported in the accompanying financial statements as a deferred outflow of resources.

Deferred Loss of Defeasance of Debt

In 2016 and 2017, the New Jersey Environmental Infrastructure Trust advance refunded the Authority's 2008A, 2010B, and 2010A Serial Bonds. The advance refundings resulted in differences between the reacquisition price and net carrying amount of the old debt in the aggregate amount of $653,591. This difference, reported in the accompanying financial statements as a deferred outflow of sources, is being charged to operations as a component of interest expense over the life of the refunding bonds.

Note 5: DETAIL NOTES – LIABILITIES

Short-term Liabilities

Short-term debt provides financing for governmental activities.

On January 15, 2017, the Authority entered into an agreement with the County of Camden to borrow $9,000,000 to fund or finance operations, budgets and cash flow. On December 17, 2017, the Authority repaid the loan plus $105,000 in interest at a rate of 1.25%.

On July 5, 2017, the Authority issued Tax-Exempt Subordinate Temporary Funding Notes, Series A of 2017 and Taxable Subordinate Temporary Funding Notes, Series B of 2017 in the amount of $24,000,000, and $5,000,000, respectively, with a stated interest rate of 2.044% and 2.920%, respectively. These notes, with a maturity date of August 2, 2018, were issued to (i) refund the Authority's then outstanding Temporary Funding Note, Series of 2016 with a principal amount of $6,000,000; and (ii) fund a deficit in the Authority's revenue. The gross revenues of the Authority are hereby irrevocably pledged for the punctual payment of the principal and interest of these notes according to its terms, said pledge being subordinate to the pledge of gross revenues made by the Authority as security for the Priority Bonds (as defined in the Resolution).

During the year ended December 31, 2017 and 2016, the following changes occurred in short-term liabilities:

	2017	2016
Balance, January 1	$ 6,000,000	$ -
Increases	38,000,000	21,000,000
Decreases	(15,000,000)	(15,000,000)
Balance, December 31	$ 29,000,000	$ 6,000,000

Long-term Liabilities

During the year ended December 31, 2017, the following changes occurred in long-term obligations:

	Balance Jan. 1, 2017	Additions	Reductions	Balance Dec. 31, 2017	Due Within One Year
Bonds and Loans Payable:					
Revenue Bonds Payable	$ 63,393,775	$ 2,726,000	$ 26,490,627	$ 39,629,148	$ 3,052,477
Loans Payable	91,254,232	3,000,174	11,184,738	83,069,668	7,197,010
Capital Appreciation Bonds Payable	49,396,150	2,901,198	32,565,000	19,732,348	10,725,000
Add:					
Premium on Bonds	4,601,235	211,539	980,233	3,832,541	
Total Bonds and Loans Payable	208,645,392	8,838,911	71,220,598	146,263,705	20,974,487
Other Liabilities:					
Net Pension Liability	35,597,204	9,915,554	18,562,534	26,950,224	
Accrued Liability - Related to Pensions	533,881	536,259	533,881	536,259	
Total Other Liabilities	36,131,085	10,451,813	19,096,415	27,486,483	-
Total Long-Term Liabilities	$ 244,776,477	$ 19,290,724	$ 90,317,013	$ 173,750,188	$ 20,974,487

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Long-term Liabilities (Cont'd)

During the year ended December 31, 2016, the following changes occurred in long-term obligations:

	Balance Jan. 1, 2016	Additions	Reductions	Balance Dec. 31, 2016	Due Within One Year
Bonds and Loans Payable:					
Revenue Bonds Payable	$ 85,288,097	$ 8,058,727	$ 29,953,049	$ 63,393,775	$ 25,060,625
Loans Payable	95,198,023	4,000,174	7,943,965	91,254,232	11,184,739
Capital Appreciation Bonds Payable	76,993,699	4,967,451	32,565,000	49,396,150	32,565,000
Add:					
Premium on Bonds	4,460,520	1,690,803	1,550,088	4,601,235	
Total Bonds and Loans Payable	261,940,339	18,717,155	72,012,102	208,645,392	68,810,364
Other Liabilities:					
Net Pension Liability	25,134,585	15,548,407	5,085,788	35,597,204	
Accrued Liability - Related to Pensions	481,313	533,881	481,313	533,881	
Total Other Liabilities	25,615,898	16,082,288	5,567,101	36,131,085	-
Total Long-Term Liabilities	$ 287,556,237	$ 34,799,443	$ 77,579,203	$ 244,776,477	$ 68,810,364

Revenue Bonds Payable - Series 1990A, 1990B, and 2006A

The Revenue Bonds Series 1990A, 1990B, and 2006A are direct obligations of the Authority. The Bonds are secured by a pledge on the Revenues derived by the Authority from the operation of its sewerage treatment facilities.

1990 Refunding

On February 21, 1990, the Authority issued $115,830,387 County Agreement Sewer Revenue Capital Appreciation Bonds, 1990A Series and $121,677,019 County Agreement Sewer Revenue Capital Appreciation Bonds, 1990B Series. A majority of the proceeds were utilized to refund or pay a portion of the principal of and interest on the 1987 Sewer Revenue Bonds and the New Jersey Wastewater Treatment Trust and Fund Bonds; permanently finance certain projects through the redemption in whole of the $109,000,000 1987 Bond Anticipation Notes; make a deposit in the Debt Service Reserve Fund; and pay the expenses incurred in connection with the issuance of the Bonds, including the payment of a municipal bond insurance premium.

As security for the Authority's payment obligations on the 1990A and 1990B Bonds, the Resolution creates a senior lien on and grants a security interest in the gross revenues of the Authority, investment earnings and other cash receipts. Interest on the 1990 Bonds will not be paid semiannually, but only upon maturity or earlier acceleration (capital appreciation bonds). Such interest accrues from the date of issuance and compounds semiannually. The 1990 Bonds are priced to produce an approximate yield to maturity ranging from 6.80% to 7.35%. The 1990A Bonds have final maturity in 2019 and the 1990B Bonds matured in 2017.

	Face Value	Accreted Value	Payments	Carrying Value
1990A Bonds:				
Dec. 31, 2017	$ 115,830,387	$ 17,091,639	$ 113,189,678	$ 19,732,348
Dec. 31, 2016	$ 115,830,387	$ 27,157,750	$ 111,267,537	$ 31,720,600
1990B Bonds:				
Dec. 31, 2016	$ 121,677,019	$ 15,133,030	$ 119,134,499	$ 17,675,550

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Special Reserve Fund
Pursuant to the Thirteenth Supplemental Resolution adopted December 27, 1993, the provision to prepay the 1987 Sewer Revenue Bonds and the New Jersey Wastewater Treatment Trust Bonds was eliminated and amended to pay all or any portion of the principal of or interest on the 1990 Bonds when due. The Authority, however, is not obligated to use Special Reserve Fund moneys to redeem the 1990 Bonds and may, with the consent of Financial Guaranty Insurance Company, the issuer of the Municipal Bond New Issue Insurance Policy, apply such moneys to future capital projects or pay administrative costs or expenses of the Authority, including, without limitation, any costs and expenses in any way related to the issuance of Authority obligations or the restructuring of the Special Reserve Fund. The Authority does not have an obligation to further fund the Special Reserve Fund and has paid approximately $191,650,287 into the Special Reserve Fund as of December 31, 2017.

2006A Revenue

On October 11, 2006, the Authority issued County Agreement Sewer Revenue Bonds, Series 2006A dated September 26, 2006, in the amount of $5,000,000 to pay expenses incurred in the repair of a force main in the City of Camden and other various projects. The 2006A Bonds have interest rates ranging from 3.45% to 4.05% and mature in various increments through 2026.

New Jersey Environmental Infrastructure Trust

The Authority has received loans from the State of New Jersey under the Wastewater Treatment Trust Program / Environmental Infrastructure Trust Program ("NJEIT Trust"). The NJEIT Trust has issued bonds for loans to various entities. The funds on hand at the NJEIT Trust for loans committed to the Authority are included on the books of the Authority as Cash Held by Agent. The NJEIT Trust acts in a trustee capacity for these funds and the drawdown of these funds are subject to the approval of the NJEIT Trust. $107,159,894 in loans have been issued. They have interest rates ranging from 3.0% to 5.25% and mature in various increments through 2046.

Under the Wastewater Treatment Fund Program / Environmental Infrastructure Fund Program ("NJEIT Fund"), the State extended several noninterest-bearing loans totaling $264,661,882. The loans have been recorded as long-term debt, net of original defeased debt of $31,210,555. When a project is completed, a final expenditure report is submitted to the State. If the total project cost is less than the loan amount, the State will make an adjustment to the final loan payment. The Authority has repaid $152,108,073 and $140,923,335 as of December 31, 2017 and 2016 respectively. This debt will mature in various increments through 2046.

During 2017, the following loans were closed under this program:

In January 2017, the Authority closed on a refunding loan from the New Jersey Environmental Infrastructure Trust totaling $1,356,000. The loan proceeds are being used to advance refund the Series 2010A Bonds originally issued in March 2010. The Trust Loan carries 4.00% interest rate with a final maturity of August 1, 2029.

In May 2017, the Authority closed on a Environmental Infrastructure Green Bonds from the New Jersey Environmental Infrastructure Trust totaling $1,370,000. The loan proceeds are being used to permanently finance the 2016 Construction Financing Trust Loan Program Note (CLP) and pay for debt issuance costs. The Trust Loan carries interest rates ranging from 3.00% - 5.00% with a final maturity of August 1, 2046.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

New Jersey Environmental Infrastructure Trust (Cont'd)

Authority Subordinate Bonds
The 2006, 2007, 2008, 2010, 2012, 2013, 2015, 2016 and 2017 NJEIT Trust and NJEIT Fund Loans were issued as Authority Subordinate Bonds. The Bonds are subordinate to the Revenue Bonds issued under the 1995 Bond Resolution of the Authority. In the event of any insolvency and bankruptcy proceedings, all holders of the Revenue Bonds shall be entitled to receive payment in full of all payments due before the holders of all outstanding Authority Subordinate Bonds are entitled to receive any payment from the Gross Revenues (as defined in the General Bond Resolution).

The following schedule reflects the Debt Requirements until 2046.

	Principal	Interest	Accretion	Total
2018	$ 20,974,487	$ 1,694,408	$ 1,214,837	$ 23,883,732
2019	20,992,837	1,550,656	502,815	23,046,308
2020	10,301,299	1,402,312		11,703,611
2021	9,768,643	1,248,087		11,016,730
2022	9,896,095	1,118,569		11,014,664
2023-2017	45,928,755	3,489,472		49,418,227
2028-2032	23,528,272	845,541		24,373,813
2033-2037	1,252,342	137,863		1,390,205
2038-2042	812,271	80,419		892,690
2043-2046	693,815	25,025		718,840
	144,148,816	$ 11,592,352	$ 1,717,652	$ 157,458,820
Adjustments:				
Accreted Interest	(1,717,652)			
Bond Premium	3,832,541			
	$ 146,263,705			

Compensated Absences

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Up to ten days of sick leave may also be sold back in accordance with the Authority's Personnel Policy and Labor Contracts. As a result of changes in these contracts, effective December 31, 2013, and changes in the Authority's personnel policy, any unused sick leave accumulated upon retirement or death will no longer be compensated. Vacation days not used during the year may be accumulated and carried forward to the next subsequent year only. The value of vacation days not utilized will be paid to the employee upon separation of employment.

Certain full-time employees are entitled to days off in lieu of receiving pay for overtime. Permanent part-time employees are entitled to sick and vacation leave on a prorated basis.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Compensated Absences (Cont'd)

The Authority has the following accrued liabilities for compensated absences at December 31, 2017 and 2016:

	December 31, 2017	December 31, 2016
Vacation Time	$ 419,216	$ 460,748
Comp Time	331,686	315,873
	$ 750,902	$ 776,621

Unearned Clean Water Act Fines

In 1972, Congress enacted the first comprehensive national clean water legislation in response to growing public concern for serious and widespread water pollution. The Clean Water Act (CWA) is the primary federal law that protects our nation's waters, including lakes, rivers, aquifers and coastal areas.

The CWA established the basic structure for regulating discharges of pollutants into the waters of the United States by making it unlawful for any person to discharge any pollutant from a point source unless a permit was obtained under its provisions. The Water Pollution Control Act (WPCA), enacted in 1977, enabled New Jersey to implement the New Jersey Pollutant Discharge Elimination System (NJPDES) permitting system required under the CWA, whereby a person must obtain a NJPDES permit in order to discharge a pollutant into surface water or ground water of the State or to release a pollutant into a municipal treatment works.

In 1990, the Legislature enacted substantial amendments to the WPCA, commonly known as the Clean Water Enforcement Act, P.L. 1990, c. 28 (CWEA). The CWEA requires the department to inspect permitted facilities and municipal treatment works at least annually. Additional inspections are required when the permittee is identified as a significant noncomplier. The CWEA also requires the assessment of mandatory minimum penalties for violations of the WPCA that are considered serious violations and for violations by permittees designated as significant noncompliers.

The CWEA mandates that 10 percent of the fines and penalties collected for violations of the CWEA be deposited in the State Licensed Operator Training Account at the NJDEP. The balance collected can be utilized by the Local Agency (the Authority) to offset the cost of the pretreatment program, funding for enforcement purposes and for upgrading municipal treatment facilities.

At December 31, 2017 and 2016, the penalties receivable amounted to $113,700 and $112,367, respectively. In accordance with the state statute, no allowance has been made for the collectability of this amount. Also, at December 31, 2017 and 2016, the amount due to the NJDEP for 10 percent of the penalties collected was $213,484 and $205,784, respectively.

Net Pension Liability

For details on the net pension liability, see the Pension Plans section below. The Authority's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Lease Obligations

At December 31, 2017, the Authority had operating lease agreements in effect for various copier units and mailing machines.

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

Year	Amount
2018	$ 26,497
2019	16,504
2020	10,020
2021	1,670

Current year payments under operating leases totaled $36,575.

Pension Plans

A substantial number of Authority employees participate in the Public Employees' Retirement System ("PERS"), a defined benefit pension plan, which is administered by the New Jersey Division of Pensions and Benefits ("the Division"). In addition, Authority employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

Plan Descriptions

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000 annually.

Note 5: **DETAIL NOTES – LIABILITIES (CONT'D)**

Pension Plans (Cont'd)

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017 and 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Authority's contractually required contribution rate for the years ended December 31, 2017 and 2016 was 13.48% and 13.26%, respectively, of the Authority's covered payroll. These amounts were actuarially determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2017, the Authority's contractually required contribution to the pension plan for the year ended December 31, 2017 was $1,072,518, and is payable by April 1, 2018. Based on the PERS measurement date of June 30, 2016, the Authority's contractually required contribution to the pension plan for the year ended December 31, 2016 was $1,067,762, which was paid on April 1, 2017. Employee contributions to the Plan during the years ended December 31, 2017 and 2016 were $588,038 and $582,761, respectively.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Authority contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. For the year ended December 31, 2017 and 2016, there were no employees participating in DCRP.

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

The following information relates only to the Public Employees' Retirement System ("PERS"), which is a cost-sharing multiple-employer defined benefit pension plan.

At December 31, 2017, the Authority's proportionate share of the net pension liability was $26,950,224. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. 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. For the June 30, 2017 measurement date, the Authority's proportion was .1157735181%, which was a decrease of .0044177434% from its proportion measured as of June 30, 2016.

At December 31, 2016, the Authority's proportionate share of the net pension liability was $35,597,201. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. 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. For the June 30, 2016 measurement date, the Authority's proportion was .1201912615%, which was an increase of .0082232041% from its proportion measured as of June 30, 2015.

For the years ended December 31, 2017 and 2016, the Authority recognized pension expense of $2,220,818 and $3,851,244, respectively. These amounts were based on the plan's June 30, 2017 and 2016 measurement dates, respectively.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERS (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2017 and 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	December 31, 2017 Measurement Date June 30, 2017		December 31, 2016 Measurement Date June 30, 2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 634,585	$ -	$ 662,000	$ -
Changes of Assumptions	5,429,541	5,409,636	7,373,839	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	183,513	-	1,357,354	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	1,447,087	787,396	1,899,791	-
Authority Contributions Subsequent to the Measurement Date	536,259	-	533,881	-
	$ 8,230,985	$ 6,197,032	$ 11,826,865	$ -

The deferred outflows of resources related to pensions totaling $536,259 and $533,881 will be included as a reduction of the net pension liability in the years ended December 31, 2018 and 2017, respectively. This amount is based on an estimated April 1, 2019 and April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2017 and June 30, 2016 to the Authority's year end of December 31, 2017 and 2016.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERS (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Authority will amortize the other deferred outflows of resources and deferred inflows of resources related to PERS over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2018	$ 911,380
2019	1,234,323
2020	778,896
2021	(780,175)
2022	(646,730)
	$ 1,497,694

Actuarial Assumptions - PERS

The net pension liability was measured as of June 30, 2017 and 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017 and 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date June 30, 2017	Measurement Date June 30, 2016
Inflation Rate	2.25%	3.08%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2011 - June 30, 2014

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Actuarial Assumptions – PERS (Cont'd)

For the June 30, 2017 measurement date, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For the June 30, 2016 measurement date, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65% at June 30, 2016) 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 and 2016 are summarized in the table on the following page.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Actuarial Assumptions – PERS (Cont'd)

	Measurement Date June 30, 2017		Measurement Date June 30, 2016	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Absolute Return/Risk Mitigation	5.00%	5.51%	5.00%	0.87%
Cash Equivalents	5.50%	1.00%	1.50%	1.74%
U.S. Treasuries	3.00%	1.87%	8.00%	1.79%
Investment Grade Credit	10.00%	3.78%	2.00%	1.67%
Public High Yield	2.50%	6.82%	2.00%	4.56%
Global Diversified Credit	5.00%	7.10%	1.50%	3.44%
Credit Oriented Hedge Funds	1.00%	6.60%	26.00%	8.53%
Debt Related Private Equity	2.00%	10.63%	13.25%	6.83%
Debt Related Real Estate	1.00%	6.61%	6.50%	9.95%
Private Real Estate	2.50%	11.83%	9.00%	12.40%
Equity Related Real Estate	6.25%	9.23%	12.50%	4.68%
U.S. Equity	30.00%	8.19%	2.00%	6.91%
Non-U.S. Developed Markets Equity	11.50%	9.00%	0.50%	5.45%
Emerging Markets Equity	6.50%	11.64%	5.00%	-0.25%
Buyouts/Venture Capital	8.25%	13.08%	5.25%	5.63%
	100.00%		100.00%	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00%. The respective single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on 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. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Actuarial Assumptions – PERS (Cont'd)

Discount Rate (Cont'd) - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98%. The respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on 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. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Sensitivity of Authority's Proportionate Share of Net Pension Liability to Changes in the Discount Rate - PERS

The following presents the Authority's proportionate share of the net pension liability at June 30, 2017, the plans measurement date, calculated using a discount rate of 5.00%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Proportionate Share of the Net Pension Liability	$ 33,433,583	$ 26,950,224	$ 21,548,784

The following presents the Authority's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Proportionate Share of the Net Pension Liability	$ 43,620,219	$ 35,597,204	$ 28,973,510

Pension Plan Fiduciary Net Position

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 respective fiduciary net position of the PERS and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, 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. For additional information about PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at http://www.state.nj.us/treasury/pensions/financial-reports.shtml.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Early Retirement Incentive Program

Legislation enacted in 2003 made early retirement available through Early Retirement Incentive Programs. This program, which is subject to the approval of the Authority's governing body (within a limited period of time), was available to employees who met certain minimum requirements. The governing body of the Authority approved the program on June 21, 2004 for eligible members of the PERS. Six employees applied for early retirement during the 2003 program. Program costs are billed annually by the Division of Pensions. As of December 31, 2017 and 2016, the accrued liability to the PERS for the 2003 program was $231,494 and $288,499 payable in annual installments of $56,655 to April 1, 2021.

Post-Employment Benefits

State Health Benefits

Plan Description - The Authority contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2012, the Authority authorized participation in the SHBP's post-retirement benefit program through resolution number 12:5-85. The Authority provides postemployment health care benefits, at its cost, for all employees, not covered by another plan, who retire from the Authority with 25 years or more of service credited by a New Jersey pension system. Benefits provided include health insurance and prescription coverage for retirees and their dependents only during the retired employees' life.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Authority on a monthly basis. The Authority funds these benefits on a pay-as-you-go basis.

The Authority's contributions to SHBP for the years ended December 31, 2017, 2016 and 2015, were $332,198, $297,702, and $229,370, respectively, which equaled the required contributions each year. There were approximately 29, 22 and 20 retired employees receiving benefits at December 31, 2017, 2016 and 2015, respectively.

United Food and Commercial Workers and Participating Food Industry Employers TRI-State Health & Welfare Fund Plan

Plan Description - The Authority contributes under provisions of a union contract to the United Food and Commercial Workers post-employment health benefits to eligible retirees and their spouses through the Union's United Food and Commercial Workers and Participating Employers TRI-State Food Industry Health & Welfare Fund Plan (the Fund).

Note 5: <u>DETAIL NOTES – LIABILITIES (CONT'D)</u>

Post-Employment Benefits (Cont'd)

<u>United Food and Commercial Workers and Participating Food Industry Employers TRI-State Health & Welfare Fund Plan (Cont'd)</u>

The benefit is provided to eligible retirees hired prior to December 31, 2011 that have been employees for or have at least twenty-five (25) years of service credited by a New Jersey pension system and are over fifty-five (55) years of age. For employees hired on or after January 1, 2012, eligible retirees are those employees that retire from the Authority after twenty-five (25) years or more of service credited by a New Jersey pension system and are over the age of sixty-two (62).

<u>Funding Policy</u> - The Authority contributes health insurance and prescription plan premiums to the Fund for eligible retirees and their spouses until they reach the age of sixty-five (65) when they are than required to enroll into the Medicare program for which the Fund coverage is supplemental.

Contributions to pay for the health premiums of participating retirees in the Fund are billed to the Authority on a monthly basis. The Authority funds these benefits on a pay-as-you-go basis.

The Authority's post-employment benefits contribution to the Fund for the years ended December 31, 2017, 2016 and 2015 were $349,949, $254,510 and $184,226, respectively, which equaled the required contributions for each year. There were approximately 24, 26 and 23 retired employees receiving benefits at December 31, 2017, 2016 and 2015, respectively.

The Fund issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to: United Food and Commercial Workers and Participating Food Industry Employers TRI-State Health & Welfare Fund Plan 27 Roland Avenue Suite 100, Mt Laurel, NJ 08054.

Note 6: <u>DETAIL NOTES – NET POSITION</u>

Net Position Appropriated – Operating Budget and Capital Budget

As of December 31, 2017, the Authority had an unrestricted net position deficit balance of $38,335,767. Even though the budget operates on a cash basis which results in a positive balance, none has been appropriated as support in the operating or capital budget for the year ending December 31, 2018.

As of December 31, 2016, the Authority had an unrestricted net position deficit balance of $17,904,636. Even though the budget operates on a cash basis which results in a positive balance, none has been appropriated as support in the operating or capital budget for the year ending December 31, 2017.

Note 7: <u>CAPITAL DEBT REFUNDING AND DEFEASANCE</u>

On May 26, 2016, the NJEIT refunded $4,055,000 of the Authority's 2008A Series Bonds. The NJEIT issued $3,641,000 Revenue Bonds, including a premium of $888,242, of which $4,507,750 was used to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements. At December 31, 2017, $4,055,000 of Series 2008A Bonds outstanding is considered defeased.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $452,750. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations as a component of interest expense over the life of the refunding bonds using the effective interest method. The advance refunding was undertaken to reduce total debt payments over the next 12 years by $755,192 and to obtain a present value economic gain of $688,087.

Note 7: CAPITAL DEBT REFUNDING AND DEFEASANCE (CONT'D)

On May 26, 2016, the NJEIT refunded $3,340,000 of the Authority's 2010B Series Bonds. The NJEIT issued $3,031,000 Revenue Bonds, including a premium of $802,561, of which $3,815,848 was used to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements. At December 31, 2016, $3,340,000 of Series 2010B Bonds outstanding is considered defeased.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $199,164. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations as a component of interest expense over the life of the refunding bonds using the effective interest method. The advance refunding was undertaken to reduce total debt payments over the next 14 years by $584,116 and to obtain a present value economic gain of $514,999.

On January 31, 2017, the NJEIT refunded $1,430,000 of the Authority's 2010A Series Bonds. The NJEIT issued $1,356,000 Revenue Bonds, including a premium of $170,222, of which $1,517,507 was used to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements. At December 31, 2017, $1,430,000 of Series 2010A Bonds outstanding is considered defeased.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,678. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations as a component of interest expense over the life of the refunding bonds using the effective interest method. The advance refunding was undertaken to reduce total debt payments over the next 14 years by $112,219 and to obtain a present value economic gain of $99,912.

Note 8: COMMITMENTS

The Authority had several outstanding or planned construction projects as of December 31, 2017. These projects are evidenced by contractual commitments with contractors and include:

Project	Awarded	Commitments Remaining
Combined Heat and Power	Camden Bioenergy	$ 9,065,970
Cramer Hill Nature Preserve	Neri's Construction	226,738
Cedarbrook Odor Control	Centerpoint Associates	53,926
Phoenix Park	Ambient Group	14,929
Camden Green Infrastructure	Command Co.	126,197
Sewage to Heat	Stone Hill Contracting	76,851
Sludge Digester	Northeast Remsco	47,435,500
Green and Gray Infrastructure	Mount Construction	996,355
Green and Gray Infrastructure	Petrongolo Contractors	1,131,609
		$ 59,128,075

Note 8: COMMITMENTS (CONT'D)

Change Orders to Contracts

During the year 2017, the Authority had one contract that resulted in the total amount of change orders executed for the project to exceed the originally awarded contract price by more than 20 percent. The resolution number and project description are as follows:

Resolution No.	Project Description
R-17:6-76	Landscaping Services

N.J.A.C. 5:30-11.3 (a) 9 and 10 states that the total number of change orders executed for a particular contract shall not cause the originally awarded contract price to be exceeded by more than twenty percent unless otherwise authorized, and that if proposed change orders do exceed that twenty percent limitation, no work shall be performed or purchases made until the procedures of N.J.A.C. 5:30-11.9 have been completed.

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent limitation. The Authority has complied with all provisions of N.J.A.C. 5:30-11.9.

Note 9: DEFERRED COMPENSATION

The Authority offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

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

Note 10: RELATED PARTY TRANSACTIONS

Related Party Transactions

The Commissioners of the Authority are appointed by the Board of Chosen Freeholders of the County of Camden. Accordingly, the Freeholders have the ability to influence the nature and amounts of business done by the Authority. The Authority and the County have engaged in significant transactions with each other. These transactions include the cooperative purchasing and economic development activities.

On January 15, 2017, the Authority entered into an agreement with the County of Camden to borrow $9,000,000 to fund or finance operations, budgets and cash flow. (Refer to Note 5- short-term liabilities for a more detailed description).

Note 11: RISK MANAGEMENT

The Authority is a member of the Camden County Insurance Commission (the "Commission"), established on January 21, 2010, by a Camden County Board resolution pursuant to N.J.S.A. 40A:10-6. The commission is a public entity risk pool serving Camden County, Camden County College, Camden County Board of Social Services, Camden County Utility Authority, Camden County Health Services, Camden County Pollution Control Financing Authority, Camden County Improvement Authority, and Camden County Department of Police Services. The Commission provides the following insurance Workers' Compensation including Employers' Liability, General Liability other than motor vehicles, Property damage other than motor vehicles, Automobile Liability and damage Public Officials Liability, Legal/Employment Practices Liability, Crime, Pollution Liability, Medical Professional Liability Employed Lawyers Liability.

Note 11: RISK MANAGEMENT (CONT'D)

Contributions to the Commission, including reserves for contingencies, are payable installments that are established by the Commission and are based on assumptions determined by each Commission's actuaries. The Commissioner of Insurance of the State of New Jersey may order additional assessments imposed on each member to supplement each Commission's claim, loss retention or administrative accounts to assure the payment of each Commission's obligations. The Commission's publish their own financial reports for the year ended December 31, which may be obtained from:

Camden County Insurance Commission
9 Campus Drive – Suite 16
Parsippany, NJ 07054

New Jersey Counties Excess Joint Insurance Fund
9 Campus Drive – Suite 16
Parsippany, NJ 07054

The Authority is partially self-insured for workers' compensation through a joint insurance program with the County of Camden. The County submits invoices to the Authority for their share of the workers' compensation costs incurred for the year. The County has established this trust fund and as of December 31, 2017 and 2016, the balance in the Reserve for Workers' Compensation Insurance Trust Fund was $2,400,931 (unaudited) and $1,931,012, respectively. The 2018 County Budget includes an appropriation in the amount of $1,000,000 to provide for future claims.

Note 12: CONTINGENCIES

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

Note 13: SUBSEQUENT EVENTS

New Jersey Infrastructure Bank (NJIB) (Formerly Known as New Jersey Environmental Infrastructure Trust) Contruction Financing Loan Program

On January 12, 2018, the Authority entered into Construction Financing Loan CFP-18-1 with the NJIB in the amount of $2,641,264. On March 20, 2018, the Authority entered into Construction Financing Loan CFP-18-2 with the NJIB in the amount of $76,164,967.

Amended 2016 Subordinate Bond Resolution

On June 20, 2016, the Authority adopted a subordinate bond resolution authorizing the issuance of not exceeding $56,430,000 County Agreement Subordinate Bonds (Series 2016); on December 18, 2017, the Series 2016 subordinate bond resolution was amended to increase the debt authorized to $96,680,000; and on April 23, 2018 the Authority adopted a resolution titled "2016 Subordinate Bond Resolution Second Amending Resolution" further amending the Series 2016 subordinate bond resolution to increase the debt authorized to $100,865,000.

2018 Subordinate Bond Resolution

On April 23, 2018, the Authority adopted a subordinate bond resolution authorizing the issuance of not exceeding $92,391,000 County Agreement Subordinate Bonds (Series 2018) and providing for their sale to the New Jersey Infrastructure Bank and the State of New Jersey.

REQUIRED SUPPLEMENTARY INFORMATION

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Five Plan Years

	Measurement Date Ending June 30,				
	2017	**2016**	**2015**	**2014**	**2013**
Authority's Proportion of the Net Pension Liability	0.1157735181%	0.1201912615%	0.1119680574%	0.1107869940%	0.1067529933%
Authority's Proportionate Share of the Net Pension Liability	$ 26,950,224	$ 35,597,204	$ 25,134,585	$ 20,742,355	$ 20,402,618
Authority's Covered Payroll (Plan Measurement Period)	$ 8,072,408	$ 8,089,364	$ 7,714,388	$ 7,439,088	$ 7,312,844
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	333.86%	440.05%	325.81%	278.83%	279.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's Contributions
Public Employees' Retirement System (PERS)
Last Five Years

	Year Ended December 31,				
	2017	**2016**	**2015**	**2014**	**2013**
Authority's Contractually Required Contribution	$ 1,072,518	$ 1,067,762	$ 962,625	$ 913,312	$ 804,362
Authority's Contribution in Relation to the Contractually Required Contribution	(1,072,518)	(1,067,762)	(962,625)	(913,312)	(804,362)
Authority's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Authority's Covered Payroll (Calendar Year)	$ 7,958,244	$ 8,052,123	$ 8,003,763	$ 7,738,097	$ 7,479,662
Authority's Contributions as a Percentage of its Covered Payroll	13.48%	13.26%	12.03%	11.80%	10.75%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Notes to Required Supplementary Information
For the Year Ended December 31, 2017

Note 1: <u>POSTEMPLOYMENT BENEFITS - PENSION</u>

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

*Changes in Assumptions - F*or 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at $118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at $265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

SUPPLEMENTARY SCHEDULES

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Combining Schedule of Revenues, Expenses and Changes in Net Position
Restricted and Unrestricted Accounts
For the Year Ended December 31, 2017

	Unrestricted		Restricted			
	Revenue	General Reserve	Debt Service	Debt Service Reserve	Renewal and Replacement	Total
Operating Revenues	$ 90,224,676					$ 90,224,676
Operating Expenses	38,030,058	$ 25,482,697				63,512,755
Operating Income (Loss)	52,194,618	(25,482,697)	-	-	-	26,711,921
Non-operating Revenue (Expenses):						
Investment Income	41,196	11		$ 180,508	$ 13,246	234,961
Grant Revenues	60,571					60,571
Unrealized Gain / Loss on Investments			$ (4,869)			(4,869)
Interest Expense on Long Term Debt			(4,641,997)			(4,641,997)
Interest Expense on Short Term Debt			(525,336)			(525,336)
Bond Issuance Costs		(84,573)				(84,573)
Preoperating and Debt Amortization Costs		(7,019)				(7,019)
Disposition of Property, Plant and Equipment		(252,616)				(252,616)
Total Non-operating Revenue (Expenses)	101,767	(344,197)	(5,172,202)	180,508	13,246	(5,220,878)
Income (Loss) Before Contributions and Transfers	52,296,385	(25,826,894)	(5,172,202)	180,508	13,246	21,491,043
Capital Contributions		1,000,000				1,000,000
Transfers	(106,067,639)	101,895,215	5,172,202	(2,614,943)	1,615,165	-
Change in Net Position	(53,771,254)	77,068,321	-	(2,434,435)	1,628,411	22,491,043
Total Net Position, January 1,	15,435,487	237,880,001	-	2,434,435	4,917,589	260,667,512
Total Net Position, December 31	$ (38,335,767)	$ 314,948,322	$ -	$ -	$ 6,546,000	$ 283,158,555
Analysis of Balance, December 31:						
Net Investment in Capital Assets		$ 314,948,322				$ 314,948,322
Restricted for Bond Resolution Covenants				$ -	$ 6,546,000	6,546,000
Unrestricted	$ (38,335,767)					(38,335,767)
	$ (38,335,767)	$ 314,948,322	$ -	$ -	$ 6,546,000	$ 283,158,555

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Cash Receipts, Cash Disbursements
and Changes in Cash, Cash Equivalents and Investments
For the Year Ended December 31, 2017

	Unrestricted	Restricted			
	Operating Accounts	Debt Service Reserve	Renewal and Replacement	Construction	Total
Cash, Cash Equivalents and Investments--January 1, 2017	$ 3,207,213	$ 9,724,246	$ 5,217,732	$ 724,579	$ 18,873,770
Cash Receipts:					
User Charges	85,074,576				85,074,576
Investment Income	36,034	5,619,757	10,405	9	5,666,205
Proceeds from Issuance of Long Term Debt		6,843,701			6,843,701
Proceeds from Issuance of Notes	38,000,000				38,000,000
Capital Contributions	1,000,000				1,000,000
Non-operating Revenues	60,571				60,571
Transfer from Unrestricted Accounts		61,075,655	1,317,863	8,745,224	71,138,742
Connection Fees and Other Revenues	6,492,797				6,492,797
Change in the Fair Value of Investments		(5,433,532)			(5,433,532)
Total Cash Receipts and Investments Available	133,871,191	77,829,827	6,546,000	9,469,812	227,716,830
Cash Disbursements:					
Operating Expenditures	37,556,507				37,556,507
Deferred Interest Revenue		158,344			158,344
Payments of Defeased Bonds		6,816,901			6,816,901
Debt Principal Payments	15,000,000	60,522,266			75,522,266
Interest Paid		5,948,298			5,948,298
Bond Issuance Costs		84,573			84,573
Capital Expenditures, Net of Change in Retainages				9,209,165	9,209,165
Transfer to Restricted Accounts	71,138,742				71,138,742
Total Cash Disbursements	123,695,249	73,530,382		9,209,165	206,434,796
Cash, Cash Equivalents and Investments--December 31, 2017	$ 10,175,942	$ 4,299,445	$ 6,546,000	$ 260,647	$ 21,282,034
Analysis of Balance December 31, 2017					
Cash and Cash Equivalents	$ 10,175,942	$ 1,661,321	$ 6,546,000	$ 260,647	$ 18,643,910
Investments:					
U.S. and Municipal Government Securities		2,638,124			2,638,124
	$ 10,175,942	$ 4,299,445	$ 6,546,000	$ 260,647	$ 21,282,034

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Sewer Operations -- Revenues, Operating Appropriations,
Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis
For the Year Ended December 31, 2017

	Adopted Budget	Modified Budget	Actual	Variance Favorable-- (Unfavorable)
Operating Revenues:				
User Charges and Fees	$ 85,034,592	$ 85,034,592	$ 84,011,697	$ (1,022,895)
Connection Fees	6,162,200	6,162,200	3,415,349	(2,746,851)
Other Operating Revenues	2,411,243	2,411,243	2,797,630	386,387
Total Operating Revenues	93,608,035	93,608,035	90,224,676	(3,383,359)
Non-Operating Revenues:				
Interest on Investments and Deposits	12,000	12,000	234,961	222,961
Grant Revenues			60,571	60,571
Temporary Funding Notes	13,583,459	13,583,459	13,583,459	-
Total Non-Operating Revenues	13,595,459	13,595,459	13,878,991	283,532
Total Budget Revenues	107,203,494	107,203,494	104,103,667	(3,099,827)
Operating Appropriations:				
Administration:				
Salary & Wages	2,052,784	2,052,784	2,021,046	31,738
Fringe Benefits	2,633,051	2,633,051	2,607,405	25,646
Other Expenses	3,529,473	3,529,473	4,191,190	(661,717)
Total Administration	8,215,308	8,215,308	8,819,641	(604,333)
Cost of Providing Services:				
Salary & Wages	7,850,396	7,850,396	7,609,465	240,931
Fringe Benefits	2,948,456	2,948,456	2,016,014	932,442
Other Expenses	21,922,150	21,922,150	18,431,872	3,490,278
Total Cost of Providing Services	32,721,002	32,721,002	28,057,351	4,663,651
Total Principal Payments on Debt Service	35,345,127	35,345,127	35,323,126	22,001
Total Operating Appropriations	76,281,437	76,281,437	72,200,118	4,081,319
Non-Operating Appropriations:				
Interest Payments	30,922,057	30,922,057	30,366,473	555,584
Total Non-Operating Appropriations	30,922,057	30,922,057	30,366,473	555,584
Total Budget Appropriations	107,203,494	107,203,494	102,566,591	4,636,903
Excess of Expenses and Other Costs over Revenues	$ -	$ -	$ 1,537,076	$ 1,537,076

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Sewer Operations -- Revenues, Operating Appropriations,
Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis
For the Year Ended December 31, 2017

Adjustments to Reconcile Excess Expenses and Other Costs		
Over Revenues to GAAP Basis Operating Income:		
Excess of Expenses and Other Costs over Revenues (Schedule 3)	$	1,537,076
Less: Investment Income		(234,961)
Less: Grant Revenues		(60,571)
Less: Other Non-Operating Revenue		(13,583,459)
Less: Depreciation		(25,482,697)
Less: GASB 68 Pension Expense		(1,153,066)
Add: Principal Payments on Bonds		35,323,126
Add: Interest Payments		30,366,473
Total Operating Income (Exhibit B)	$	26,711,921

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Analysis of Investment Income Receivable
For the Year Ended December 31, 2017

	Balance Jan. 1, 2017	Investment Income Earned	Investment Income Collected	Balance Dec. 31, 2017
Unrestricted Assets:				
Revenue Account	$ 65	$ 40,704	$ 36,034	$ 4,735
Restricted Assets:				
Debt Service Reserve Account	17,146	180,508	190,600	7,054
Renewal and Replacement Account	14	13,246	10,405	2,855
Construction Account		11	9	2
Special Reserve Account		492	492	
	17,160	194,257	201,506	9,911
	$ 17,225	$ 234,961	$ 237,540	$ 14,646
		Cash Collections	$ 5,666,205	
		Change in Fair Market Value	(5,428,665)	
			$ 237,540	

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue Bonds Payable
For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Date	Maturities of Bonds Amount	Interest Rate	Balance Jan. 1, 2017	Bonds Issued	Paid 2017	Balance Dec. 31, 2017
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2006A - Winslow	06/22/06	$ 3,383,431	08/01/18	$ 268,216	5.25%				
			08/01/19	285,889	5.25%				
			08/01/20	298,721	5.25%				
				$ 852,826		$ 1,107,994		$ 255,168	$ 852,826
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2006A - Odor Control	06/22/06	3,088,956	08/01/18	$ 252,728	5.25%				
			08/01/19	266,828	5.25%				
			08/01/20	280,949	5.25%				
				$ 800,505		1,039,074		238,569	800,505
County Agreement Sewer Revenue Refunding Bonds, Series 2006B	09/20/06	100,865,000				12,055,000		12,055,000	
County Agreement Sewer Revenue Bonds, Series 2006A	10/11/06	5,000,000	07/15/18	$ 270,000	3.75%				
			07/15/19	280,000	3.80%				
			07/15/20	290,000	3.85%				
			07/15/21	300,000	4.05%				
			07/15/22	315,000	4.05%				
			07/15/23	325,000	4.05%				
			07/15/24	340,000	4.05%				
			07/15/25	355,000	4.05%				
			07/15/26	365,000	4.05%				
				$ 2,840,000		3,100,000		260,000	2,840,000
NJEIT Sewer Wastewater Treatment Bonds, Series 2008A	11/08/08	6,110,000	08/01/18	$ 305,000	5.00%				
				$ 305,000		595,000		290,000	305,000
County Agreement Sewer Revenue Refunding Bonds, Series 2008	06/11/08	64,885,000				8,740,000		8,740,000	
NJEIT Sewer Wastewater Treatment Bonds, Series 2010A	03/20/10	2,105,000	08/01/18	$ 100,000	5.00%				
				100,000		1,625,000		1,525,000	100,000
NJEIT Sewer Wastewater Treatment Bonds, Series 2010B	12/02/10	4,865,000	08/01/18	$ 215,000	5.00%				
			08/01/19	225,000	5.00%				
				$ 440,000		645,000		205,000	440,000

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue Bonds Payable
For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Date	Maturities of Bonds Amount	Interest Rate	Balance Jan. 1, 2017	Bonds Issued	Paid 2017	Balance Dec. 31, 2017
NJEIT Sewer Wastewater Treatment Refunding Bonds,	08/18/10	$ 1,465,000	08/01/18	$ 86,296	4.25%				
Series 2010 (Refunding 2003A)			08/01/19	91,375	5.00%				
			08/01/20	96,265	5.00%				
			08/01/21	101,053	4.50%				
			08/01/22	100,449	4.75%				
			08/01/23	104,291	4.75%				
				$ 579,729		$ 661,282		$ 81,553	$ 579,729
NJEIT Sewer Wastewater Treatment Refunding Bonds,	08/18/10	609,100	08/01/24	$ 609,100	2.14%				
Series 2010 (Partial Refunding 2006A)				$ 609,100		609,100			609,100
NJEIT Sewer Wastewater Treatment Bonds,	05/03/12	1,100,000	08/01/18	$ 50,000	5.00%				
Series 2012A (CW)			08/01/19	50,000	5.00%				
			08/01/20	55,000	5.00%				
			08/01/21	55,000	5.00%				
			08/01/22	60,000	5.00%				
			08/01/23	60,000	5.00%				
			08/01/24	65,000	5.00%				
			08/01/25	70,000	5.00%				
			08/01/26	70,000	5.00%				
			08/01/27	75,000	3.00%				
			08/01/28	75,000	3.00%				
			08/01/29	80,000	3.13%				
			08/01/30	80,000	3.20%				
			08/01/31	85,000	3.25%				
				$ 930,000		975,000		45,000	930,000
NJEIT Sewer Wastewater Treatment Bonds,	05/03/12	14,375,000	08/01/18	$ 655,000	5.00%				
Series 2012A (PF) (CW)			08/01/19	685,000	5.00%				
			08/01/20	720,000	5.00%				
			08/01/21	755,000	5.00%				
			08/01/22	795,000	5.00%				
			08/01/23	835,000	5.00%				
			08/01/24	875,000	5.00%				
			08/01/25	920,000	5.00%				
			08/01/26	965,000	5.00%				
			08/01/27	1,015,000	3.00%				
			08/01/28	1,045,000	3.00%				
			08/01/29	1,075,000	3.13%				

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue Bonds Payable
For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Date	Maturities of Bonds Amount	Interest Rate	Balance Jan. 1, 2017	Bonds Issued	Paid 2017	Balance Dec. 31, 2017
NJEIT Sewer Wastewater Treatment Bonds,			08/01/30	$ 1,110,000	3.20%				
Series 2012A (PF) (CW) (Cont'd)			08/01/31	1,145,000	3.25%				
				$ 12,595,000		$ 13,215,000		$ 620,000	$ 12,595,000
NJEIT Sewer Wastewater Treatment Refunding Bonds,	08/14/2012	$ 5,808,090	08/01/18	$ 518,237	4.00%				
Series 2012B-R (Partial Refunding 2006A)			08/01/19	536,474	4.00%				
			08/01/20	559,152	4.00%				
			08/01/21	581,949	4.00%				
			08/01/22	604,010	4.00%				
			08/01/23	630,382	4.00%				
			08/01/25	687,611	4.00%				
			08/01/26	713,173	4.00%				
				$ 4,830,988		5,326,598		495,610	4,830,988
NJEIT Sewer Wastewater Treatment Bonds,	05/03/13	1,820,000	09/01/18	$ 80,000	4.00%				
Series 2013A (CW)			09/01/19	85,000	4.00%				
			09/01/20	85,000	4.00%				
			09/01/21	90,000	4.00%				
			09/01/22	95,000	4.00%				
			09/01/23	100,000	5.00%				
			09/01/24	105,000	5.00%				
			09/01/25	110,000	3.00%				
			09/01/26	110,000	3.00%				
			09/01/27	115,000	3.00%				
			09/01/28	120,000	3.00%				
			09/01/29	120,000	3.00%				
			09/01/30	125,000	3.00%				
			09/01/31	130,000	3.00%				
			09/01/32	130,000	3.00%				
				$ 1,600,000		1,675,000		75,000	1,600,000
NJEIT Sewer Wastewater Treatment Bonds,	05/28/15	1,325,000	08/01/18	$ 50,000	5.00%				
Series 2015A-1 (CW) 14			08/01/19	50,000	5.00%				
			08/01/20	55,000	5.00%				
			08/01/21	55,000	5.00%				
			08/01/22	60,000	5.00%				
			08/01/23	65,000	5.00%				
			08/01/24	65,000	5.00%				
			08/01/25	70,000	5.00%				

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue Bonds Payable
For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Date	Maturities of Bonds Amount	Interest Rate	Balance Jan. 1, 2017	Bonds Issued	Paid 2017	Balance Dec. 31, 2017
NJEIT Sewer Wastewater Treatment Bonds,			08/01/26	$ 70,000	5.00%				
Series 2015A-1 (CW) 14 (Cont'd)			08/01/27	75,000	4.00%				
			08/01/28	80,000	4.00%				
			08/01/29	80,000	4.00%				
			08/01/30	85,000	4.00%				
			08/01/31	90,000	4.00%				
			08/01/32	90,000	4.00%				
			08/01/33	95,000	4.00%				
			08/01/34	100,000	4.00%				
				$ 1,235,000		$ 1,280,000		$ 45,000	$ 1,235,000
NJEIT Sewer Wastewater Treatment Bonds,	05/28/15	$ 355,000	08/01/18	$ 15,000	5.00%				
Series 2015A-1 (CW) 10-2			08/01/19	15,000	5.00%				
			08/01/20	15,000	5.00%				
			08/01/21	20,000	5.00%				
			08/01/22	20,000	5.00%				
			08/01/23	20,000	5.00%				
			08/01/24	20,000	5.00%				
			08/01/25	20,000	5.00%				
			08/01/26	20,000	5.00%				
			08/01/27	25,000	4.00%				
			08/01/28	25,000	4.00%				
			08/01/29	25,000	4.00%				
			08/01/30	25,000	4.00%				
			08/01/31	30,000	4.00%				
			08/01/32	30,000	4.00%				
				$ 325,000		340,000		15,000	325,000
NJEIT Sewer Wastewater Treatment Refunding Bonds,	11/24/15	1,876,000	08/01/18	$ 137,000	5.00%				
Series 2015B-R (Refunding 2007A)			08/01/19	146,000	5.00%				
			08/01/20	151,000	5.00%				
			08/01/21	162,000	5.00%				
			08/01/22	170,000	5.00%				
			08/01/23	179,000	5.00%				
			08/01/24	185,000	5.00%				
			08/01/25	195,000	5.00%				
			08/01/26	204,000	5.00%				
			08/01/27	214,000	5.00%				
				$ 1,743,000		1,876,000		133,000	1,743,000

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CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue Bonds Payable
For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Date	Maturities of Bonds Amount	Interest Rate	Balance Jan. 1, 2017	Bonds Issued	Paid 2017	Balance Dec. 31, 2017
NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-2 (CW) 06-02	11/24/15	$ 365,000	08/01/18	$ 20,000	5.00%				
			08/01/19	20,000	5.00%				
			08/01/20	20,000	5.00%				
			08/01/21	25,000	5.00%				
			08/01/22	25,000	5.00%				
			08/01/23	25,000	5.00%				
			08/01/24	25,000	5.00%				
			08/01/25	30,000	5.00%				
			08/01/26	30,000	3.00%				
			08/01/27	30,000	3.00%				
			08/01/28	30,000	3.00%				
			08/01/29	30,000	3.00%				
			08/01/30	35,000	3.00%				
				$ 345,000		$ 365,000		$ 20,000	$ 345,000
NJEIT Sewer Wastewater Treatment Bonds, Series 2015A-2 (CW) 14-1	11/24/15	105,000	08/01/18	$ 5,000	5.00%				
			08/01/19	5,000	5.00%				
			08/01/20	5,000	5.00%				
			08/01/21	5,000	5.00%				
			08/01/22	5,000	5.00%				
			08/01/23	5,000	5.00%				
			08/01/24	5,000	5.00%				
			08/01/25	5,000	5.00%				
			08/01/26	5,000	3.00%				
			08/01/27	5,000	3.00%				
			08/01/28	5,000	3.00%				
			08/01/29	5,000	3.00%				
			08/01/30	5,000	3.00%				
			08/01/31	5,000	3.00%				
			08/01/32	10,000	3.00%				
			08/01/33	10,000	3.125%				
			08/01/34	10,000	3.125%				
				$ 100,000		105,000		5,000	100,000
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2016A-R1 (Refunding 2008A)	05/10/16	3,641,000	08/01/19	$ 292,000	5.00%				
			08/01/20	305,000	5.00%				
			08/01/21	318,000	5.00%				
			08/01/22	334,000	5.00%				
			08/01/23	351,000	5.00%				

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CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Revenue Bonds Payable

For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Date	Maturities of Bonds Amount	Interest Rate	Balance Jan. 1, 2017	Bonds Issued	Paid 2017	Balance Dec. 31, 2017
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2016A-R1 (Refunding 2008A) (Cont'd)			08/01/24	$ 371,000	5.00%				
			08/01/25	389,000	5.00%				
			08/01/26	407,000	4.50%				
			08/01/27	427,000	4.50%				
			08/01/28	447,000	4.50%				
				$ 3,641,000		$ 3,641,000			$ 3,641,000
NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2016A-R2 (Refunding 2010B)	05/10/16	$ 3,031,000	08/01/20	$ 214,000	5.00%				
			08/01/21	223,000	5.00%				
			08/01/22	237,000	5.00%				
			08/01/23	246,000	5.00%				
			08/01/24	260,000	5.00%				
			08/01/25	273,000	5.00%				
			08/01/26	287,000	5.00%				
			08/01/27	300,000	4.50%				
			08/01/28	317,000	4.50%				
			08/01/29	329,000	4.50%				
			08/01/30	345,000	4.50%				
				$ 3,031,000		3,031,000			3,031,000
NJEIT Construction Financing Program, Series 2016 CFP-16-1 (640-15)	07/19/16	1,386,727				1,386,727		$1,386,727	-
NJEIT Environmental Infrastructure Refunding Bonds, Series 2017A-R2 (Refunding 2010A) (Green Bonds)	01/31/17	1,356,000	08/01/19	$ 99,000	4.00%				
			08/01/20	104,000	4.00%				
			08/01/21	108,000	4.00%				
			08/01/22	114,000	4.00%				
			08/01/23	118,000	4.00%				
			08/01/24	123,000	4.00%				
			08/01/25	128,000	4.00%				
			08/01/26	133,000	4.00%				
			08/01/27	138,000	4.00%				
			08/01/28	143,000	4.00%				
			08/01/29	148,000	4.00%				
				$ 1,356,000			$1,356,000		1,356,000

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CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Revenue Bonds Payable

For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Date	Maturities of Bonds Amount	Interest Rate	Balance Jan. 1, 2017	Bonds Issued	Paid 2017	Balance Dec. 31, 2017
NJEIT Enviromental Infrastructure Green Bonds, Series 2017A-1	05/25/17	$ 1,370,000	08/01/18	$ 25,000	5.000%				
			08/01/19	30,000	5.000%				
			08/01/20	30,000	5.000%				
			08/01/21	30,000	5.000%				
			08/01/22	30,000	5.000%				
			08/01/23	35,000	5.000%				
			08/01/24	35,000	5.000%				
			08/01/25	35,000	5.000%				
			08/01/26	40,000	3.000%				
			08/01/27	40,000	3.000%				
			08/01/28	40,000	3.000%				
			08/01/29	40,000	3.000%				
			08/01/30	45,000	3.000%				
			08/01/31	45,000	3.000%				
			08/01/32	45,000	3.000%				
			08/01/33	45,000	3.125%				
			08/01/34	50,000	3.250%				
			08/01/35	50,000	3.250%				
			08/01/36	50,000	3.375%				
			08/01/37	55,000	3.375%				
			08/01/38	55,000	3.375%				
			08/01/39	55,000	3.375%				
			08/01/40	60,000	3.375%				
			08/01/41	60,000	3.500%				
			08/01/42	65,000	3.500%				
			08/01/43	65,000	3.500%				
			08/01/44	70,000	3.500%				
			08/01/45	70,000	3.500%				
			08/01/46	75,000	3.500%				
				$ 1,370,000			$ 1,370,000		$ 1,370,000
			Grand Total			$ 63,393,775	$ 2,726,000	$ 26,490,627	$ 39,629,148
		Refunding Cash					$ 1,356,000	$ 2,816,727	
		Cash					1,370,000	23,673,900	
							$ 2,726,000	$ 26,490,627	
		County Agreement Sewer Revenue Bonds							$ 2,840,000
		NJEIT Refunding Bonds							17,444,148
		NJWTT / NJEIT Serial Bonds							19,345,000
									$ 39,629,148

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2000 NJEIT Loan Series 2000A-2	11/09/00	$ 2,908,943	02/01/18	$ 11,505					
			08/01/18	149,187					
			02/01/19	7,891					
			08/01/19	154,752					
			02/01/20	4,036					
			08/01/20	73,834					
				$ 401,205	$ 561,880			$ 160,675	$ 401,205
2000 NJEIT Loan Series 2000B-2	11/09/00	3,501,500	02/01/18	$ 13,563					
			08/01/18	80,213					
				$ 93,776	282,749			188,973	93,776
2003 NJEIT Loan Series 2003	11/08/03	3,755,879	02/01/18	$ 24,362					
			08/01/18	178,157					
			02/01/19	21,093					
			08/01/19	183,433					
			02/01/20	17,035					
			08/01/20	187,918					
			02/01/21	12,763					
			08/01/21	192,190					
			02/01/22	8,726					
			08/01/22	188,153					
			02/01/23	4,464					
			08/01/23	192,436					
				$ 1,210,730	1,410,805			200,075	1,210,730
2006 NJEIT Loan Series 2006B	11/09/06	25,351,847	02/01/18	$ 231,855					
			08/01/18	1,263,352					
			02/01/19	211,225					
			08/01/19	1,278,914					
			02/01/20	189,871					
			08/01/20	1,302,802					
			02/01/21	167,613					
			08/01/21	1,325,784					
			02/01/22	143,725					
			08/01/22	1,347,138					
			02/01/23	118,905					
			08/01/23	1,376,607					

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CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2006 NJEIT Loan Series 2006B (Cont'd)			02/01/24	$ 92,179					
			08/01/24	1,395,122					
			02/01/25	59,605					
			08/01/25	1,128,900					
				$ 11,633,596	$ 13,123,012			$ 1,489,416	$ 11,633,596
2007 NJEIT Loan Series 2007A	11/08/07	$ 7,612,500	02/01/18	$ 79,751					
			08/01/18	365,174					
			02/01/19	72,616					
			08/01/19	375,877					
			02/01/20	66,550					
			08/01/20	378,732					
			02/01/21	60,307					
			08/01/21	390,327					
			02/01/22	52,056					
			08/01/22	399,915					
			02/01/23	43,360					
			08/01/23	409,058					
			02/01/24	35,589					
			08/01/24	410,206					
			02/01/25	27,160					
			08/01/25	419,616					
			02/01/26	18,329					
			08/01/26	428,625					
			02/01/27	9,098					
			08/01/27	437,232					
				$ 4,479,578	4,929,409			449,831	4,479,578
2008 NJEIT Loan Series 2008A	11/06/08	16,042,800	02/01/18	$ 190,585					
			08/01/18	704,940					
			02/01/19	177,726					
			08/01/19	717,377					
			02/01/20	163,560					
			08/01/20	728,507					
			02/01/21	148,024					
			08/01/21	738,267					
			02/01/22	131,793					
			08/01/22	755,764					
			02/01/23	114,634					
			08/01/23	772,333					

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CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2008 NJEIT Loan Series 2008A (Cont'd)			02/01/24	$ 96,547					
			08/01/24	796,406					
			02/01/25	79,050					
			08/01/25	812,638					
			02/01/26	60,711					
			08/01/26	828,026					
			02/01/27	41,528					
			08/01/27	851,004					
			02/01/28	21,291					
			08/01/28	872,927					
				$ 9,803,638	$ 10,698,320			$ 894,682	$ 9,803,638
2010 NJEIT Loan Series 2010A	03/20/10	$ 2,070,000	02/01/18	$ 36,964					
			08/01/18	73,929					
			02/01/19	36,964					
			08/01/19	73,929					
			02/01/20	36,964					
			08/01/20	73,929					
			02/01/21	36,964					
			08/01/21	73,929					
			02/01/22	36,964					
			08/01/22	73,929					
			02/01/23	36,964					
			08/01/23	73,928					
			02/01/24	36,964					
			08/01/24	73,929					
			02/01/25	36,964					
			08/01/25	73,929					
			02/01/26	36,964					
			08/01/26	73,929					
			02/01/27	36,964					
			08/01/27	73,929					
			02/01/28	36,964					
			08/01/28	73,928					
			02/01/29	36,964					
			08/01/29	73,930					
				$ 1,330,715	1,441,607			110,892	1,330,715

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CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2010 NJEIT Loan Series Fall 2010B	03/20/10	$ 14,867,980	02/01/18	$ 260,842					
			08/01/18	521,683					
			02/01/19	260,842					
			08/01/19	521,684					
			02/01/20	260,842					
			08/01/20	521,683					
			02/01/21	260,842					
			08/01/21	521,683					
			02/01/22	260,842					
			08/01/22	521,683					
			02/01/23	260,842					
			08/01/23	521,684					
			02/01/24	260,842					
			08/01/24	521,683					
			02/01/25	260,842					
			08/01/25	521,683					
			02/01/26	260,842					
			08/01/26	521,683					
			02/01/27	260,842					
			08/01/27	521,684					
			02/01/28	260,842					
			08/01/28	521,683					
			02/01/29	260,842					
			08/01/29	521,683					
			02/01/30	260,842					
			08/01/30	521,684					
				$ 10,172,829	$ 10,955,354			$ 782,525	$ 10,172,829
2012 NJEIT Loan Series 2012ABC (CW)	05/03/12	3,397,500	02/01/18	$ 62,917					
			08/01/18	125,833					
			02/01/19	62,917					
			08/01/19	125,833					
			02/01/20	62,917					
			08/01/20	125,833					
			02/01/21	62,917					
			08/01/21	125,833					
			02/01/22	62,917					
			08/01/22	125,833					
			02/01/23	62,917					
			08/01/23	125,833					

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CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2012 NJEIT Loan Series 2012ABC (CW) (Cont'd)			02/01/24	$ 62,917					
			08/01/24	125,833					
			02/01/25	62,917					
			08/01/25	125,833					
			02/01/26	62,917					
			08/01/26	125,833					
			02/01/27	62,917					
			08/01/27	125,833					
			02/01/28	62,917					
			08/01/28	125,833					
			02/01/29	62,917					
			08/01/29	125,833					
			02/01/30	62,917					
			08/01/30	125,833					
			02/01/31	62,917					
			08/01/31	125,833					
				$ 2,642,500	$ 2,831,250			$ 188,750	$ 2,642,500
2012 NJEIT Loan Series 2012ABC (PF) (CW)	05/03/12	$ 34,037,500	02/01/18	$ 728,030					
			08/01/18	1,456,061					
			02/01/19	728,030					
			08/01/19	1,456,061					
			02/01/20	728,030					
			08/01/20	1,456,061					
			02/01/21	728,030					
			08/01/21	1,456,061					
			02/01/22	728,030					
			08/01/22	1,456,061					
			02/01/23	728,030					
			08/01/23	1,456,061					
			02/01/24	728,030					
			08/01/24	1,456,061					
			02/01/25	728,030					
			08/01/25	1,456,061					
			02/01/26	728,030					
			08/01/26	1,456,061					
			02/01/27	728,030					
			08/01/27	1,456,061					
			02/01/28	728,030					
			08/01/28	1,456,061					
			02/01/29	728,030					
			08/01/29	1,456,061					

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CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2012 NJEIT Loan Series 2012ABC (PF) (CW) (Cont'd)			02/01/30	$ 728,030					
			08/01/30	1,456,061					
			02/01/31	728,030					
			08/01/31	1,092,044					
				$ 30,213,257	$ 32,397,348			$ 2,184,091	$ 30,213,257
2013 NJEIT Loan Series 2013A (CW)	09/01/13	$ 4,625,562	02/01/18	$ 88,106					
			08/01/18	176,212					
			02/01/19	88,106					
			08/01/19	176,212					
			02/01/20	88,106					
			08/01/20	176,212					
			02/01/21	88,106					
			08/01/21	176,212					
			02/01/22	88,106					
			08/01/22	176,212					
			02/01/23	88,106					
			08/01/23	176,212					
			02/01/24	88,106					
			08/01/24	176,212					
			02/01/25	88,106					
			08/01/25	176,212					
			02/01/26	88,106					
			08/01/26	176,212					
			02/01/27	88,106					
			08/01/27	176,212					
			02/01/28	88,106					
			08/01/28	176,212					
			02/01/29	88,106					
			08/01/29	176,212					
			02/01/30	88,106					
			08/01/30	176,212					
			02/01/31	88,106					
			08/01/31	176,212					
			02/01/32	88,106					
			08/01/32	132,159					
				$ 3,920,714	4,185,032			264,318	3,920,714
2015 NJEIT Loan Series 2015A-1 (CW) 14	05/28/15	2,242,750	02/01/18	$ 39,347					
			08/01/18	78,693					

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2015 NJEIT Loan Series 2015A-1 (CW) 14 (Cont'd)			02/01/19	$ 39,346					
			08/01/19	78,693					
			02/01/20	39,347					
			08/01/20	78,693					
			02/01/21	39,346					
			08/01/21	78,693					
			02/01/22	39,347					
			08/01/22	78,693					
			02/01/23	39,346					
			08/01/23	78,693					
			02/01/24	39,347					
			08/01/24	78,693					
			02/01/25	39,346					
			08/01/25	78,693					
			02/01/26	39,347					
			08/01/26	78,693					
			02/01/27	39,346					
			08/01/27	78,693					
			02/01/28	39,347					
			08/01/28	78,693					
			02/01/29	39,346					
			08/01/29	78,693					
			02/01/30	39,347					
			08/01/30	78,693					
			02/01/31	39,346					
			08/01/31	78,693					
			02/01/32	39,347					
			08/01/32	78,693					
			02/01/33	39,346					
			08/01/33	78,693					
			02/01/34	39,346					
			08/01/34	78,693					
				$ 2,006,671	$ 2,124,711			$ 118,040	$ 2,006,671
2015 NJEIT Loan Series 2015A-1 (CW) 10-2	05/28/15	$ 993,413	02/01/18	$ 18,744					
			08/01/18	37,487					

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2015 NJEIT Loan Series 2015A-1 (CW) 10-2 (Cont'd)			02/01/19	$ 18,744					
			08/01/19	37,487					
			02/01/20	18,744					
			08/01/20	37,487					
			02/01/21	18,744					
			08/01/21	37,487					
			02/01/22	18,744					
			08/01/22	37,487					
			02/01/23	18,744					
			08/01/23	37,487					
			02/01/24	18,744					
			08/01/24	37,487					
			02/01/25	18,744					
			08/01/25	37,487					
			02/01/26	18,744					
			08/01/26	37,487					
			02/01/27	18,744					
			08/01/27	37,487					
			02/01/28	18,744					
			08/01/28	37,487					
			02/01/29	18,744					
			08/01/29	37,487					
			02/01/30	18,744					
			08/01/30	37,487					
			02/01/31	18,744					
			08/01/31	37,487					
			02/01/32	18,743					
			08/01/32	37,487					
				$ 843,464	$ 899,695			$ 56,231	$ 843,464
2015 NJEIT Loan Series 2015A-2 (CW) 06-02	11/24/15	$ 1,159,679	02/01/18	$ 26,356					
			08/01/18	52,713					
			02/01/19	26,356					
			08/01/19	52,713					
			02/01/20	26,356					
			08/01/20	52,713					

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2015 NJEIT Loan Series 2015A-2 (CW) 06-02 (Cont'd)			02/01/21	$ 26,356					
			08/01/21	52,713					
			02/01/22	26,356					
			08/01/22	52,713					
			02/01/23	26,356					
			08/01/23	52,713					
			02/01/24	26,356					
			08/01/24	52,713					
			02/01/25	26,356					
			08/01/25	52,713					
			02/01/26	26,356					
			08/01/26	52,713					
			02/01/27	26,356					
			08/01/27	52,713					
			02/01/28	26,356					
			08/01/28	52,713					
			02/01/29	26,356					
			08/01/29	52,713					
			02/01/30	26,356					
			08/01/30	52,713					
				$ 1,027,897	$ 1,106,966			$ 79,069	$ 1,027,897
2015 NJEIT loan Series 2015A-2 (CW) 14-1	11/24/15	$ 317,250	02/01/18	$ 5,665					
			08/01/18	11,331					
			02/01/19	5,665					
			08/01/19	11,330					
			02/01/20	5,665					
			08/01/20	11,331					
			02/01/21	5,665					
			08/01/21	11,330					
			02/01/22	5,665					
			08/01/22	11,331					
			02/01/23	5,665					
			08/01/23	11,330					
			02/01/24	5,665					
			08/01/24	11,331					

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2015 NJEIT loan Series 2015A-2 (CW) 14-1 (Cont'd)			02/01/25	$ 5,665					
			08/01/25	11,330					
			02/01/26	5,665					
			08/01/26	11,331					
			02/01/27	5,665					
			08/01/27	11,330					
			02/01/28	5,665					
			08/01/28	11,331					
			02/01/29	5,665					
			08/01/29	11,330					
			02/01/30	5,665					
			08/01/30	11,331					
			02/01/31	5,665					
			08/01/31	11,330					
			02/01/32	5,665					
			08/01/32	11,331					
			02/01/33	5,665					
			08/01/33	11,330					
			02/01/34	5,665					
			08/01/34	11,331					
				$ 288,924	$ 305,920			$ 16,996	$ 288,924
NJEIT Construction Financing Program, Series 2016 CFP-16-1 (640-15)	07/19/16	$ 4,000,174			4,000,174			4,000,174	
2017 NJEIT Loan Series 2017A-1 (PF)	05/25/17	3,000,174	02/01/18	$ 34,485					
			08/01/18	68,969					
			02/01/19	34,485					
			08/01/19	68,969					
			02/01/20	34,485					
			08/01/20	68,969					
			02/01/21	34,485					
			08/01/21	68,969					
			02/01/22	34,485					
			08/01/22	68,970					
			02/01/23	34,485					
			08/01/23	68,969					
			02/01/24	34,485					
			08/01/24	68,969					

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2017 NJEIT Loan Series 2017A-1 (PF) (Cont'd)			02/01/25	$ 34,485					
			08/01/25	68,969					
			02/01/26	34,485					
			08/01/26	68,970					
			02/01/27	34,485					
			08/01/27	68,969					
			02/01/28	34,485					
			08/01/28	68,969					
			02/01/29	34,485					
			08/01/29	68,969					
			02/01/30	34,485					
			08/01/30	68,970					
			02/01/31	34,485					
			08/01/31	68,969					
			02/01/32	34,485					
			08/01/32	68,969					
			02/01/33	34,485					
			08/01/33	68,969					
			02/01/34	34,485					
			08/01/34	68,970					
			02/01/35	34,485					
			08/01/35	68,969					
			02/01/36	34,485					
			08/01/36	68,969					
			02/01/37	34,485					
			08/01/37	68,969					
			02/01/38	34,485					
			08/01/38	68,970					
			02/01/39	34,485					
			08/01/39	68,969					
			02/01/40	34,485					
			08/01/40	68,969					
			02/01/41	34,485					
			08/01/41	68,969					
			02/01/42	34,485					
			08/01/42	68,970					
			02/01/43	34,485					
			08/01/43	68,969					
			02/01/44	34,485					
			08/01/44	68,969					

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Year Ended December 31, 2017

Purpose	Date of Award	Original Award	Loan Payments Date	Loan Payments Amount	Balance Jan. 1, 2017	Loans Issued	N.J.D.E.P. Cancellation	Paid 2017	Balance Dec. 31, 2017
2017 NJEIT Loan Series 2017A-1 (PF) (Cont'd)			02/01/45	$ 34,485					
			08/01/45	68,970					
			02/01/46	34,485					
			08/01/46	68,970					
				$ 3,000,174		$ 3,000,174			$ 3,000,174
			Grand Total		$ 91,254,232	$ 3,000,174	$ -	$ 11,184,738	$ 83,069,668
		Refunding Cash				$ 3,000,174		$ 4,000,174	
		Cash						7,184,564	
						$ 3,000,174		$ 11,184,738	

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Capital Appreciation Bonds
For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturity of Bonds Date	Maturity of Bonds Amount	Bond Accretion Year	Bond Accretion Amount	Balance Jan. 1, 2017	Accretion 2017	Paid 2017	Balance Dec. 31, 2017
1990 Capital Appreciation Bonds Series A	02/22/90	$ 115,830,388	09/01/18	$ 10,725,000	2018	$ 1,214,837				
			09/01/19	10,725,000	2019	502,815				
				$ 21,450,000		$ 1,717,652	$ 31,720,600	$ 2,031,748	$ 14,020,000	$ 19,732,348
1990 Capital Appreciation Bonds Series B	02/22/90	121,677,020					17,675,550	869,450	18,545,000	
						Grand Total	$ 49,396,150	$ 2,901,198	$ 32,565,000	$ 19,732,348

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Notes Payable
For the Year Ended December 31, 2017

Description	Amount of Issuance	Date of Issuance	Note Payments Date	Note Payments Amount	Interest Rate	Balance Jan. 1, 2017	Notes Issued	Paid 2017	Balance Dec. 31, 2017
County of Camden	$ 9,000,000	01/15/17	12/29/17	$ 9,000,000	2.044%		$ 9,000,000	$ 9,000,000	
1st Colonial	6,000,000	12/29/17	12/31/17	6,000,000	3.500%	$ 6,000,000		6,000,000	
Webster Bank Series 2017A	24,000,000	07/05/17	08/02/18	24,000,000	2.044%		24,000,000		$ 24,000,000
Webster Bank Series 2017B	5,000,000	07/05/17	08/02/18	5,000,000	2.920%		5,000,000		5,000,000
				Grand Total		$ 6,000,000	$ 38,000,000	$ 15,000,000	$ 29,000,000

CAMDEN COUNTY
MUNICIPAL UTILITIES AUTHORITY

PART II

SCHEDULE OF FINDINGS
AND RECOMMENDATIONS

FOR THE YEAR ENDED
DECEMBER 31, 2017

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Recommendations
For the Year Ended December 31, 2017

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards,* Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None

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APPRECIATION

We express my appreciation for the assistance and courtesies rendered by the Authority officials during the course of the audit.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants