Bayshore Regional Sewerage Authority

Audit Report

December 31, 2024 and 2023

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Bart & Bart
Certified Public Accountants

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BART & BART *Certified Public Accountants*

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INDEPENDENT AUDITORS' REPORT

To Chairperson and Members
Bayshore Regional Sewerage Authority
Union Beach, New Jersey

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Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Bayshore Regional Sewerage Authority (the "Authority"), which comprise the statements of net position as of December 31, 2024 and 2023, and the statements of revenues and expenses, and cash flows for the years then ended and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of December 31, 2024 and 2023, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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.

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

To Chairperson and Members
Bayshore Regional Sewerage Authority

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

To Chairperson and Members
Bayshore Regional Sewerage Authority

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Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplemental information, on pages 34 through 39 are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information identified above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information on pages 34 through 39 is fairly stated in all material respects in relation to the basic financial statements as a whole.

To Chairperson and Members
Bayshore Regional Sewerage Authority

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Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated __________, 2025 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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.

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Bart & Bart, CPAs

Woodbridge, NJ
_____________ 2025

BART & BART *Certified Public Accountants*

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Independent Auditors 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

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To The Chairperson and Members
Bayshore Regional Sewerage Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America; Audit requirements as prescribed by the Division of Local Government Services, State of New Jersey and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States, the financial statements and fund information of Bayshore Regional Sewerage Authority as of and for the year ended December 31, 2024, and the related notes to the financial statements, which comprise of the Authority's financial statements, and have issued our report thereon _______________ 2025

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 opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

To The Chairperson and Members
Bayshore Regional Sewerage Authority

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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.

Purpose of this Report

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

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Bart & Bart, CPAs

Woodbridge, NJ
__________________2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

EXHIBIT A

Bayshore Regional Sewerage Authority
Comparative Statement of Net Position
December 31, 2024 and 2023

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	2024	2023
ASSETS		
Unrestricted Assets:		
Cash and Cash Equivalents	$ 3,287,765	$ 7,313,222
Inventory	831,014	517,026
Prepaid Expenses	4,617	55,938
FEMA Claims Receivable	98,834	1,617,205
Investments	2,312,582	2,167,732
Total Unrestricted Assets	$ 6,534,812	$ 11,671,123
Restricted Assets:		
Capital Outlay Fund	6,220,814	7,817,823
Construction Funds	6,774,144	5,397,509
Debt Service Funds	10,434	842,496
Customer Escrow Deposits	2,961,482	2,896,703
Investments	3,339,511	3,288,795
Total Restricted Assets	19,306,385	20,243,326
Plant, Property and Equipment	181,556,124	167,323,792
Less: Accumulated Depeciation	94,281,557	91,309,477
Net Plant, Property and Equipment	87,274,567	76,014,315
TOTAL ASSETS	113,115,764	107,928,764
Deferred Outflow of Resources:		
Deferred Amount of Net Pension Liability	500,510	697,881
Deferred Amount of Net OPEB Liability	4,794,349	4,663,319
Total Assets and Deferred Outflow of Resources	$ 118,410,623	$ 113,289,964

See accompanying notes

Bayshore Regional Sewerage Authority
Comparative Statement of Net Position
December 31, 2024 and 2023

	2024	2023
LIABILITIES AND NET POSITION		
Current Liabilities -		
Payable from Unrestricted Assets:		
Accounts Payable - Operating	$ 336,128	$ 447,488
Accounts Payable - Retainage	254,851	53,070
Payroll Deductions Payable	4,700	28,927
Accrual for Unused Leave and Vacation Time	154,649	155,187
Unearned Rvenue	126,786	121,786
Total Current Liabilities Payable from Unrestricted Assets	877,114	806,458
Current Liabilities -		
Payable from Restricted Assets:		
Escrow Deposits Payable	2,961,482	2,896,703
Note Payable-I-Bank	4,054,582	
Bonds Payable - I - Bank 2018 Series	550,902	545,902
I - Bank 2019 Series	174,837	169,837
Total Current Liabilities Payable from Restricted Assets	7,741,803	3,612,442
Long Term Liabilities -		
Payable from restricted assets:		
Bonds payable - I - Bank - 2018 Series	7,100,826	7,651,822
I - Bank - 2019 Series	2,392,325	2,567,722
Net Pension Liability	4,823,060	5,141,929
Net OPEB Liability	10,175,307	8,718,799
Total Liabilities	$ 33,110,435	$ 28,499,172

See accompanying notes

Bayshore Regional Sewerage Authority
Comparative Statement of Net Position
December 31, 2024 and 2023

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	2024	2023
LIABILITIES AND NET POSITION		
Deferred Inflow of Resources		
Deferred Amount on Net Pension Liability	$ 291,953	$ 346,687
Deferred Amount of Net OPEB Liability	3,968,255	5,325,144
Total Liabilities and Deferred Inflow of Resources	37,370,643	34,171,003
NET POSITION		
Restricted for:		
Contributed capital, net	2,750,541	3,132,881
Construction	6,774,144	5,397,509
Debt Service	10,434	842,496
Future Capital Outlays	6,220,813	7,817,823
Emergency Response	3,399,511	3,263,196
Total Restricted	19,155,443	20,453,905
Unrestricted	61,884,537	58,665,056
Total Net Position	81,039,980	79,118,961
TOTAL LIABILITIES AND NET POSITION	$ 118,410,623	$ 113,289,964

See accompanying notes

EXHIBIT B

Bayshore Regional Sewerage Authority
Comparative Statement of Revenues, Expenses and Changes in Net Position
December 31, 2024 and 2023

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	2024	2023
Operating Revenues:		
Treatment Charges	$ 10,338,571	$ 10,144,477
Operating Expenses:		
Payroll and Employee Benefits	4,257,663	4,338,851
Plant Materials and Supplies	3,121,789	3,324,344
Administrative and General	560,888	481,395
Depreciation	2,972,080	3,153,913
Total Operating Expenses	10,912,420	11,298,503
Operating Income (Loss)	(573,849)	(1,154,026)
Non-Operating Revenue (Expenses)		
Interest Income on Investments	973,232	1,033,815
Connection Fees	1,569,945	1,827,259
Miscellaneous Income	65,692	20,253
Interest	(114,001)	(118,412)
	2,494,868	2,762,915
Net Income (Before Transfer of Deprciation of Assets Purchased with Contributed Capital	1,921,019	1,608,889
Transfer of Depreciation to Contributed Capital	382,340	382,340
Net Income	2,303,359	1,991,229
Net Position, January 1st	75,986,080	73,994,851
Net Position, December 31st	78,289,439	75,986,080
Contributed Capital - Net, January 1st	3,132,881	3,515,221
Transfer of Depreciation from Operations	(382,340)	(382,340)
Contributed Capital - Net, December 31st	2,750,541	3,132,881
Net Position, End of Year	$ 81,039,980	$ 79,118,961

See accompanying notes

EXHIBIT C

Bayshore Regional Sewerage Authority
Comparative Statement of Cash Flows
Years ended December 31, 2024 and 2023

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	2024	2023
Cash Provided by (Used for) Operations		
Change in Net Position	$ 1,921,019	$ 1,608,899
Adjustments to Reconcile Net Income to: Net Cash:		
Depreciation	2,972,080	3,153,913
Prepaid Expenses	51,321	106,228
Inventory	(314,078)	56,187
Current Liabilities Payable from Unrestricted Assets	70,656	(65,878)
Current Liabilities Payable from Restricted Assets	3,411,799	147,988
Deferred Amounts on Net Pension and OPEB Liability	-	(1,799,281)
Net Pension and OPEB Liability	-	1,529,003
Net Cash Provided by Operations	8,112,797	4,737,059
Cash Flows Used for Investing Activities:		
Investments	(144,850)	(186,129)
Restricted Assets	(936,941)	(1,415,996)
Plant, Property and Equipment	(14,232,332)	(5,670,191)
Net Cash Used for Investing Activities	(15,314,123)	(7,272,316)
Cash Flows Provided by (Used for) Financing Activities:		
Note Payable		
Bonds Payable	(726,393)	(705,664)
Net Cash Used For Financing Activities	(726,393)	(705,664)
Net Change in Cash and Cash Equivalents	(7,927,719)	(3,240,921)
Cash and Cash Equivalents:		
Beginning of Period	15,131,045	18,371,966
End of Period	$ 7,203,326	$ 15,131,045
Summary of Cash and Cash Equivalents, End of Year		
Unrestricted Cash and Cash Equivalents	$ 3,287,765	$ 7,313,222
Restricted Cash and Cash Equivalents	6,220,814	7,817,823
	$ 9,508,579	$ 15,131,045

See accompanying notes

Note 1. Summary of Significant Accounting Policies

A. General

The Bayshore Regional Sewerage Authority (Authority) is a public body politic and corporate constituting a political subdivision of the State of New Jersey created under Chapter 138 of the Sewerage Authority Law of New Jersey of 1946, as amended, pursuant to the action of the governing bodies of Hazlet Township, Holmdel Township and the Borough of Union Beach in 1968.

The Authority is authorized and empowered to acquire, construct, maintain, operate or improve works for the collection, treatment, and disposal of sewage or other wastes in return for the participants agreeing to pay all charges necessary to cover debt service requirements and all obligations of the Authority through sewer charges for usage. The present participants are Hazlet Township, Holmdel Township, Borough of Union Beach, Borough of Keyport, Keansburg Municipal Utilities Authority, Borough of Matawan, Western Monmouth Utilities Authority, and the Township of Aberdeen. All participants have entered into service contracts with the Authority.

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

B. New Accounting Standards

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

The GASB issued Statement No. 99, *Omnibus,* 2022 in April, 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has reviewed the requirements of GASB Statement No. 99 and deemed the impact immaterial to the financial statements.

The GASB issued Statement No. 101, *Compensated Absences* in June, 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023 and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

Note 1. Summary of Significant Accounting Policies (continued)

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B. New Accounting Standards (continued)

The GASB issued statement No. 102, *Certain Risk Disclosures* in January, 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for periods beginning after June 15, 2024 and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 103, *Financial Reporting Model* Improvements in April, 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025 and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

C. Basis of Financial Statements

The financial statements of the Authority have been prepared on an accrual basis in accordance with generally accepted accounting principles applicable to enterprise funds of state and local governments.

Cash, Cash Equivalents and Investments

New Jersey Authorities 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 the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey Authorities. The Authority is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Financial Statements - Cash, Equivalents and Investments (cont'd)

Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

Cash includes petty cash, change funds, cash in banks, savings accounts, money market funds, or highly liquid securities with an original maturity date of less than three (3) months from the date of purchase which may be withdrawn at any time without prior notice of penalty. Cash equivalents are defined as short-term, highly liquid securities that are both radically convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with an original maturity date of less than three (3) months from the date of purchase meet this definition. For the Comparative Statement of Cash Flows the Authority includes all cash and cash equivalents.

Risk Analysis

The cash, checking, savings accounts, and money market accounts are covered by the Federal Deposit Insurance Corporation ("FDIC") and the Government Unit Deposit Protection Act ("GUDPA").

Investments:

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

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

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

	December 31,	
	2023	2024
Certificates of Deposit	$ 2,167,732	$ 2,311,839
United States Treasury Bill	3,288,795	3,425,132
	$ 5,456,527	$5,736,971

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Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Financial Statements - Cash, Equivalents and Investments (cont'd)

Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

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Investments:

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

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

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

	December 31,	
	2024	2023
Certificates of Deposit	$ 2,312,582	$2,167,732
United States Treasury Bill	3,399,511	3,288 795
	$ 5,712,093	$5,456,527

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Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Financial Statements - Cash, Equivalents and Investments (cont'd)

The amortized cost of the Authority's investment securities and their approximate fair values at December 31, 2024 and 2023 were as follows:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
December 31, 2024				
Certificates of Deposit	$2,312,582	-	-	$2,312,582
US Treasury Bill	3,399,511	$ 25,621	-	3,425,132
	$5,712,093	$ 25,621	-	$5,737,714
December 31, 2023				
Certificates of Deposit	$2,167,732	-	-	$2,167,732
US Treasury Bill	3,263,196	25,599	-	3,288,795
	5,430,928	25,599	-	$5,456,527

Investment ratings and contractual maturities of the Authority's held-to-maturity securities at December 31, 2024 and 2023 are as follows:

December 31, 2024 Investment Maturities

Investment Type	S& P Ratings	Fair Value	Within 1 Year	1-5 Years	6–10 Yrs.
Certificates of Deposit	N/A	$2,312,582	$2,312,582	$ -	$ -
US Treasury Bill	N/A	3,399,511	3,399,511	-	-
		$5,712,093	$5,712,093	-	-

December 31, 2023 Investment Maturities

Investment Type	S&P Ratings	Fair Value	Within 1 Year	1-5 Years	6–10 Yrs.
Certificates of Deposit	N/A	$2,167,732	$2,167,732	$ -	$ -
US Treasury Bill	N/A	3,288,795	3,288,795	-	-
		5,456,527	5,456,527	-	-

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

GASB 72 established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level1 measurement). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Financial Statements - Cash, Equivalents and Investments (cont'd)

Investments (Cont'd)

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

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive Markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

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

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

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Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Financial Statements - Cash, Equivalents and Investments (cont'd)

Investments (Cont'd)

The following table sets forth by level, within the fair value hierarchy, the Authority's assets at fair value as of December 31, 2024 and 2023:

	Assets at Fair Value As of December 31,2024	
	Level 2	Total
Certificates of Deposit	$2,312,582	$ 2,312,582
US Treasury Bills	3,399,511	3,399,511
	$5,712,093	$5,712,093

	Assets at Fair Value As of December 31,2023	
	Level 2	Total
Certificates of Deposit	$ 2,167,732	$ 2,167,732
US Treasury Bills	3,288,795	3,288,795
	$5,456,527	$5,456,527

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

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

D. Unemployment Insurance

The Authority is insured under the rules and regulations of the State of New Jersey Unemployment Compensation Law, whereby it pays into the state fund a percentage of payroll costs to cover benefits to be paid to former employees of the Authority.

E. Inventory

Inventory consists principally of chemicals, machinery replacement parts and supplies. The inventory is stated at cost determined on a first-in, first-out basis. An adjustment was made to the December 31, 2024 inventory dollar amount due to an increase in amounts of inventory and cost thereof.

Note 1. Summary of Significant Accounting Policies (continued)

F. Grants-In-Aid

Federal and state grants-in-aid of construction are recorded in the period received. Grants received by the Authority are restricted by the grantor to the design and construction of plant facilities and are recorded as contributed capital.

G. Use of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Plant, Property and Equipment

Plant, property, and equipment are stated at cost, which includes direct construction costs and other expenditures related to construction. Construction costs are charged to construction in progress until such time as given segments of the project are completed and put into service.

Depreciation is determined on a straight-line basis for all plant and equipment. Depreciation on assets acquired with Grants-in-Aid is recorded as a reduction of contributed capital. Depreciation is provided over the following estimated useful lives of capital assets ranging from 5-40 years. Construction in Progress is not depreciated until put into service.

The following table summarizes the capital asset activity of the Authority for 2024:

	Balance December 31, 2023	Additions	Dispositions	Balance December 31, 2024
Land & Building	$ 1,898,994	$ -	-	$ 1,898,994
Plant Infrastructure	111,207,136	2,784,783	-	113,991,919
System Infrastructure	30,062,032	6,239,747	-	36,301,779
Vehicles & Equipment	1,682,264	50,796	-	1,733,060
Construction in Progress	22,473,366	14,186,747	$(9,029,741)	27,630,372
	$167,323,792	$23,262,073	(9,029,741)	$ 181,556,124
Less: Accumulated Depreciation	(91,309,477)	(2,972,080)	-	(94,281,537)
	$76,014,315	$20,289,993	$ (9,029,741)	$87,274,567

Note 1. Summary of Significant Accounting Policies (continued)

H. Plant, Property and Equipment (cont'd)

The following table summarizes the capital asset activity of the Authority for 2023:

2023	Balance December 31, 2022	Additions	Dispositions	Balance December 31, 2023
Land & Building	$ 1,898,994	$ -	-	$ 1,898,994
Plant Infrastructure	111,105,260	101,876	-	111,207,136
System Infrastructure	29,922,456	139,576	-	30,062,032
Vehicles & Equipment	1,542,388	139,876	-	1,682,264
Construction in Progress	17,184,503	5,288,863	-	22,473,366
	$161,653,601	$ 5,670,191	-	$ 167,323,792
Less: Accumulated Depreciation	(88,155,564)	(3,153,913)	-	(91,309,477)
	$73,498,037	$2,516,278	$ -	$76,014,315

I. Statements of Cash Flows

For purposes of the statement of cash flows, the Authority considers unrestricted investments with maturities of three months or less to be cash equivalents.

Note 2. FEMA CLAIMS RECEIVABLE/FINANCING OF SUPERSTORM SANDY COSTS

On October 29, 2012, Super Storm Sandy made landfall along the Southern Atlantic Coast of New Jersey. The resulting storm surge and winds caused catastrophic damage to the community of Union Beach, where the Authority is located.

The Authority sustained significant damage to its property, plant and equipment. As of December 31, 2023, the Authority has expended $12,956,347 (exclusive to amounts spent in relation to the New Jersey Infrastructure Bank (I-Bank) note borrowings discussed in Note 4, in repairs, equipment replacement and alternative treatment methods in order to continue to service its customer base. The full extent and cost of the damage caused by this extraordinary event has yet to be finalized and measured.

Certain of the expenses incurred by the Authority and discussed above will be eligible for a combination of insurance coverage and financial assistance from the Federal Emergency Management Agency (FEMA). The Authority anticipates that many of these expenses will be reimbursable at 90%. Certain of these expenses will mitigate future storm damage, and as such, will be capital in nature and will be financed over the useful life of the repaired asset. The amount shown as FEMA Claims receivable on the balance sheet is shown net of a $2,842,842 reimbursement from the Authority's various insurance carriers and $7,357,306 from FEMA.

Note 3. New Jersey Infrastructure Bank Payable

On February 26, 2018, the Authority adopted a resolution ("General Bond Resolution") authorizing the issuance of revenue bonds. Also, on February 26, 2018, the Authority adopted supplemental resolution 1 to the General Bond Resolution authorizing the issuance to the New Jersey Infrastructure Bank ("NJIB") of an amount not to exceed $14,000,000 (the "2018 Bonds"). The 2018 bonds consist of two portions: A federal portion that includes principal forgiveness, and a state portion. The federal portion of the 2018 Bonds consist of semi-annual principal payments of $401,902 commencing on August 1, 2018, with a final maturity on August 1, 2037, at which time the total principal payments will amount to $8,081,075. This portion does not bear interest. The state portion of the 2018 bonds in the amount of $3,020,000 shall bear interest from their date of delivery, and semi-annual thereafter on August 1 and February 1 of each year. The portion shall bear interest at the rates and shall mature on the dates and in the principal amounts, set forth in a NJIB Loan Agreement; provided that (i) each maturity date shall be February 1 or August 1; (ii) the final maturity date shall not be later than August 1, 2040; and (iii) no interest shall exceed six percent (6%) per annum. The proceeds of the 2018 bonds were used to refund the balance due on the 2017 notes payable and pay for the cost of issuance of the 2018 bonds.

Annual repayments are due as follows:

	Principal	Interest	Total Debt Service
Year Ending December 31,			
2020	520,902	111,381	632,283
2021	525,902	105,881	631,783
2022	530,902	100,131	631,033
2023	535,902	94,131	630,003
2024	554,962	81,130	636,092
2025 – 2028	2,234,549	288,026	2,522,575
2029 – 2033	2,949,511	218,524	3,168,035
2034 – 2039	2,458,608	69,618	2,528,226
	$10,311,238	$1,068,822	$11,380,060

As of December 31, 2024, the amount due on the Federal portion and State portion was $$5,341,727 and $2,310,000, respectively.

Note 3. New Jersey Infrastructure Bank Bonds Payable (Continued)

On February 25, 2019, the Authority adopted supplemental resolution 2 to the General Bond Resolution authorizing the issuance to the NJIB of an amount not to exceed $6,000,000 (the "2019 Bonds"). The 2019 bonds consist of two portions: A Federal portion that includes principal forgiveness, and a State Portion. The Federal portion of the 2019 Bonds consist of semi-annual principal payments of 129,837 commencing on August 1, 2019, with a final maturity on August 1, 2038, at which time the total principal payments will amount to $2,553,467. This portion does not bear interest. The State portion of the 2019 bonds in the amount of $935,000 shall bear interest from their date of delivery, and semi-annually thereafter on August 1 and February 1 of each year. This portion shall bear interest at the rates and shall mature on the dates and in the principal amounts, set forth in an I-Bank Loan Agreement; provided that (i) each maturity date shall be February 1 or August 1; (ii) the final maturity date shall not be later than August 1, 2040; and (iii) no interest shall exceed six percent (6%) per annum. The proceeds of the 2019 bonds were used to refund the balance due on the 2019 notes payable and pay for the cost of issuance of the 2019 loans.

Annual repayments are due as follows:

Year ending December 31,	Principal	Debt Service Interest	Total
2020	164,837	33,280	198,117
2021	164,837	31,531	196,368
2022	164,837	29,781	194,618
2023	169,837	28,031	197,868
2024	169,837	26,031	195,868
2025 - 2028	704,348	82,265	786,613
2029 - 2033	914,186	63,331	977,517
2034 - 2039	949,189	27,600	976,789
	$ 3,401,908	$321,850	$3,723,758

Note 4. New Jersey Infrastructure Bank Loans

During 2023, the Authority was approved for a New Jersey Infrastructure Bank construction loan to fund a new Power resiliency Generator System designed to maintain continuous power supply to the Authority and the Monmouth County Bayshore Outfall Authority for a minimum of seven (7) consecutive days (the "project"). The NJIB approved a loan not to exceed $31,000,000 for the project. The terms of the loan allow the authority to receive funding from the NJIB on a drawdown basis as approved project expenditures are incurred. The Federal Emergency Management Agency approved the project and has agreed to reimburse the Authority for up to 90% of the project's cost. NJIB provides the Authority with the funds to design and construct the project and requests reimbursement for the loan advancements from FEMA. Since FEMA only provides 90% of the cost, the balance of the loan outstanding, once the project is completed, will be paid back to NJIB through the issuance of long-term Authority Bonds to the NJIB. The loan bears minimal interest during the drawdown period. As of December 31, 2024, the Authority's net amount due to NJIB under this loan was $4,053,513 and accrued interest of $69,954. The project is

Note 4. New Jersey Infrastructure Bank Loans (Continued)

eligible for the NJIB SFY24 Clean Water SRF base financing at long-term conversion. This funding package consists of the equivalent interest rate at a blend of fifty percent market rate loan from NJIB in combination with fifty percent zero percent interest rate loan from the New Jersey Department of Environmental Protection.

In 2024, the Authority was approved for an NJIB construction loan to fund the rehabilitation of the Authority's final clarifiers. The NJIB approved a loan not to exceed $5,100,000 for the project. The Federal Emergency Management Agency approved the project and has agreed to reimburse the Authority for up to 90% of the project's cost. NJIB provides the Authority with the funds to design and construct the project and requests reimbursement for the loan advancements from FEMA. Since FEMA only provides 90% of the cost, the balance of the loan outstanding, once the project is completed, will be paid back to NJIB through the issuance of long-term Authority Bonds to the NJIB. The Authority closed on the note October 2, 2025.

Note 5. Employee Retirement System and Pension Plans

Full-time employees of the Authority are covered by the Public Employees' Retirement System of the State of New Jersey ("PERS"). PERS is administered by the State of New Jersey, Division of Pensions and Benefits ("Division").

PERS is a cost-sharing, multiple-employer defined benefit pension plan. PES provides retirement and disability benefits, annual cost of living adjustments and benefits to plan members and their beneficiaries. As a condition of employment, all Authority full-time employees are required to be members of PERS. PERS members can apply for a service retirement of age 60 if enrolled before November 2, 2008 (Tier 1 or Tier 2), or at age 62 if enrolled on or after November 2, 2008, but before June 28, 2011 (Tier 3 or Tier 4), or at age 65 if enrolled on or after June 28, 2011 (Tier 5) regardless of the amount of service credit earned.

Plan Description and Benefits

Tier 1, 2 or 3: Annual Benefit = Years of Service Credit, divided by 55, times Final Average Salary (average salary of the last three years of credited service or the highest three fiscal years of credited service, whichever provides the higher benefit). Tier 4 or Tier 5: Annual Benefit = Years of Service Credit, divided by 60, times Final Average Salary (average salary of the last five years of credited service or the highest five fiscal years of credited service, whichever provides the higher benefit. Pension benefits fully vest on reaching 10 years of service. Vested employees who were enrolled prior to July 1, 2007, and who have established 25 years or more of creditable service may retire without penalty at or after age 55 and receive full retirement benefits. PERS also provides death and disability benefits. Benefits are established by State statute.

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Note 5. Employee Retirement System and Pension Plans (Continued)

Contributions:

Employees' contribution rates to PERS governed by P.L. 2011, C. 78, effective June 28, 2011, were increased from 5.5% of salary to 6.5% of salary, and a phase-in to 7.5% of salary over a seven-year period. Covered Authority employees are required by PERS to contribute 7.50% of their salaries. State statute requires the Authority to contribute an actuarially determined rate which includes the normal cost and the unfunded accrued liability. The amount of the Authority's contribution is certified each year by PERS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statue, the long-term expected rate of return on plan investments 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Public Employees Retirement System (PERS):

At December 31, 2024 and 2023, the Authority had a liability of $4,823,060 and $5,141,929, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024 and 2023, respectively. The Authority's proportionate share 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 governmental entities, actuarially determined. As of the measurement date of June 30, 2024, the authorities proportionate share was 0.0035 percent, which was the same as of June 30, 2023.

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Note 5. Employee Retirement System and Pension Plans (Continued)

For the years ended December 31, 2024 and 2023, respectively, the pension system has determined the Agency's pension expense to be $306,755 and $94,283, respectively, for PERS based on the actuarial valuation which is less than the actual contributions made by the Authority of $418,008 and $474,465 in 2024 and 2023, respectively.

At December 31, 2024 and 2023, the Agency's deferred inflows of resources related to the PERS pension are from the following sources:

	2023		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 49,163	$ 21,019	$ 96,615	$ 12,840
Changes of Assumptions	11,296	311,623	5,992	54,875
Net Difference Between Projected And Actual Earning on Pension Plan Investments	23,679	-	-	223,632
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	613,743	14,045	397,903	606
	$ 697,881	$ 346,687	$ 500,510	$ 291,953

At December 31, 2024, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized expense as follows:

Year Ending December 31,	Total
2025	($668,916)
2026	886,520
2027	(255,189)
2028	(179,733)
2029	425,875
	$ 208,557

Note 5. Employee Retirement System and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Public Employees Retirement System (PERS) (Continued):

Actuarial Assumptions

The Authorities total pension liability reported for the year ended December 31, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

PERS	**2024**	**2023**
Inflation Rate	2.75%	2.75%
Salary Increases:	2.75 – 6.55% Based on Years of Service	2.75 – 6.55% Based on Years of Service
Investment Rate of Return	7.00%	7.00%

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024 are summarized in the following tables:

NOTE 5. Employee Retirement System and Pension Plans (Continued)

2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
High Yield	4.50%	6.97%
Non-US Developed Markets	12.75%	9.22%
Private Credit	8.00%	9.20%
Private equity	13.00%	12.50%
US Equity	28.00%	8.98%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
Risk Mitigation Strategies	3.00%	6.21%
International small cap equity	1.25%	9.22%
Emerging Markets equity	5.50%	11.13%

2024

Asset Class	Target Allocation	Long- Term Expected Real Rate of Return
Cash equivalents	4.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment grade credit	7.00%	5.37%
High yield	4.50%	6.74%
Non-US Developed Markets	12.75%	8.85%
Private Credit	8.00%	8.90%
Private Equity	13.00%	12.40%
U.S Equity	28.00%	8.63%
Real estate	8.00%	10.95%
Real Assets	3.00%	8.20%
Risk Mitigation Strategies	3.00%	7.10%

The Discount Rate used to measure the total pension liabilities of the PERS plan was 7.00% for 2024 and 2023 respecively.

Sensitivity of Net Pension Liability:

The following presents the Authorities proportionate share of the PERS net pension liability as of December 31, 2024 and 2023, calculated using the discount rate of 7.00% and 7.00%, respectively, as well as what the Authority's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00% and 6.00%, respectively) or one percentage point higher (8.00% or 8.00%, respectively) than the current rate:

Note 5. Employee Retirement System and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Public Employees Retirement System (PERS) : Sensitivity of Net Pension Liability (Continued):

2024

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's Proportionate Share of PERS Net Pension Liability	$ 5,864,840	$ 4,823,060	$ 3,954,909

2023

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's Proportionate Share of PERS Net Pension Liability	$6,200,652	$ 5,141,929	$ 4,242,091

The sensitivity analysis was based on the proportionate share of the Authority's net pension liability at December 31, 2024 and 2023. A sensitivity analysis specific to the Authority's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position:

Detailed information about the PERS pension plan's fiduciary net pension is available in the separately issued report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits website at

Note 6. Accounting and Financial Reporting for Post-Retirement Benefits Other Than Pension – GASB 75

Plan Description and Benefits Provided

The State Health Benefit Retired Employees Plan is a multiple-employer defined benefit OPEB plan, with that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The State Health Benefit Local Education Retired Employees Plan provides medical, prescription, drug, and Medicare Part B reimbursement to retirees and their covered dependents of local employers.

Note 6. Accounting and Financial Reporting for Post-Retirement Benefits Other Than Pension – GASB 75 (Continued)

Plan Description and Benefits Provided - (Continued)

The employer contributions for the participating local employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: Teachers' Pension Annuity Fund (TPAF), the Public Employees' Retirement System (PERS, the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, the future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Total Non-employer OPEB Liability

The portion of the Total Non-employer OPEB Liability that was associated with the Authority at December 31 was as follows:

	2023	2024
Non-employer OPEB Liability:		
Authority's proportionate share	$8,718,799	$10,175,307

The Total Non-employer OPEB Liability as of December 31, 2024 and 2023 was determined by an actuarial valuation as of June 30, 2024 and 2023, respectively.

The District's proportion was 0.056820 and 0.058110 percent as of December 31, 2024 and 2023, respectively.

The State, a Non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants.

Note 6. Accounting and Financial Reporting for Post-Retirement Benefits Other Than Pension – GASB 75 (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Salary increases Through 2026	2.75% - 6.55% Based on Age

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year suing the MP-2017 scale. Post-Retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year suing the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year suing the MP-2017 scale.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2013 - June 30, 2018, July 1, 2014 - June 30, 2018.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 6.5% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2022 are 14.8% and 21.83%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate; rather, the discount rate is set at the municipal bond rate.

Note 6. Accounting and Financial Reporting for Post-Retirement Benefits Other Than Pension – GASB 75 (Continued)

Sensitivity of the Total Non-employer OPEB Liability to Changes in the Discount Rate

The following presents the total non-employer OPEB liability associated with the Authority as of December 31,2024 and 2023 calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

December 31, 2023

	1.00% Decrease (2.65%)	At Discount Rate (3.65%)	1.00% Increase (4.65%)
State of New Jersey's Non-employer OPEB Liability Associated with the Authority	$10,098,984	$8,718,799	$7,585,355

December 31, 2024

	1.00% Decrease (2.93%)	At Discount Rate (3.93%)	1.00% Increase (4.93%)
State of New Jersey's Non-employer OPEB Liability Associated with the Authority	$11,803,356	$10,175,307	$8,831,148

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

As of June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired Authority employee's OPEB associated with the following sources:

	2023		2024	
	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources
Changes of assumptions	$2,464,525	$1,129,412	$1,689,037	$1,701,119
Difference Between Expected Experience and Actual Experience	2,369,180	402,066	1,728,653	515,307
Changes in Proportion	491,439	3,131,841	550,565	2,577,923
	$5,325,144	$4,663,319	$3,968,255	$4,794,349

Note 5. Accounting and Financil Reporting For Post -Retirement Benefits Other Than Pension - GASB 75 - OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the Authority will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2025	$ (439,248)
2026	(189,109)
2027	(32,947)
2028	(173,254)
2029	(110,380)
Thereafter	1,771,032
	$ 826,094

In accordance with GASB No. 75, the Authority's proportionate share of retiree's OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-029 or on their website at:

NOTE 7. SUBSEQUENT EVENTS

In Management's opinion, there were no other transactions or events which would require recognition or disclosure in the Financial Statements from January 1, 2023 through October --, 2025, the date in which these Financial Statements became available to the public.

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SUPPLEMENTARY INFORMATION

Schedule 1

Bayshore Regional Sewerage Authority

SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY (NPL) DETERMINED AS OF JUNE 30, 2024 PERS MEASUREMENT DATE

Fiscal Year	Authority's Proportion	Authority's Proportionate	Authority's Covered Payroll	Authority's Proportionate Share of NPL as a % of Covered Payroll Payroll
2024	0.03%	$ 4,823,060	$ 3,082,827	156%
2023	0.03%	5,141,929	3,008,939	179%
2022	0.03%	4,884,178	2,719,710	179%
2021	0.03%	3,817,937	2,460,060	155%
2020	0.03%	5,044,730	2,574,337	195%
2019	0.03%	5,355,759	2,507,416	212%
2018	0.034%	6,155,334	2,393,527	257%
2017	0.03 %	7,303,532	2,122,092	344%
2016	0.03 %	8,986,184	2,125,099	422%
2015	0.03 %	6,582,319	2,088,779	315%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year	Required Contribution	Contributions Recognized by PERS	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	$474,466	$ 482,986	$ (8,520)	$ 3,082,827	15.66 %
2023	474,465	474,465	-	3,009,939	15.76 %
2022	408,126	408,126	30,694	2,719,710	13.87 %
2021	340,453	(417,277)	(757,730)	2,460,060	13.93%
2020	290,588	219,240	71,348	2,574,337	11.28%
2019	318,103	312,814	5,289	2,507,416	12.68%
2018	471,183	295,984	175,199	2,393,527	12.36%
2017	662,912	290,654	372,258	2,122,042	13.69%
2016	950,420	269,456	680.964	2,155,099	12.67%
2015	487,968	252,095	235,873	2,088,779	12.06%

SCHEDULE OF CHANGES IN TOTAL NET PENSION LIABILITY

Fiscal Year	Beginning Balance Total Net Pension	Difference between Expected & Actual Expenditures	Change of Assumptions	Difference between Expected & Actual Earnings	Change in Proportion & Actual Less Proportionate Share	Other Changes and Reclassifications	Ending Balance Total Net Pension Liability
2024	$ 3,817,937	$83,775	$ (48,883)	$(223,632)	$ 397,207	$ 796,656	$ 4,823,060
2023	4,884,178	28,144	(300,217)	23,679	599,698	(93,553)	3,817,937
2022	3,817,977	4,165	(716,222)	202,152	223,168	1,352,938	4,884,178
2021	5,044,730	32,882	(1,339,326)	(1,005,745)	258,666	826,730	3,817,937
2020	5,335,759	74,016	(1,948,619)	172,433	74,902	1,316,239	5,044,730
2019	6,155,334	23,659	1,858,967	84,543	297,971	(3,064,715)	5,355,759
2018	7,303,552	117,383	853,851	57,732	329,633	(2,606,817)	6,155,334
2017	8,986,164	171,973	5,395	49,732	463,250	(2,372,962)	7,303,552
2016	6,582,317	167,115	1,861,453	342,651	371,502	(338,694)	8,986,164
2015	5,275,787	157,031	706,888	-	261,677	180,934	6,582,317

The Pension Schedules are intended to show information for ten years. The State of New Jersey has issued seven years of pension information to the Authority. Additional years' information will be displayed as it becomes available.

Schedule 2

Bayshore Regional Sewerage Authority

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY DETERMINED AS OF JUNE 30, 2024, OPEB MEASUREMENT DATE

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Fiscal Year	Authority's Proportion	Authority's Proportionate	Authority's Covered Payroll	Authority's Proportionate Share of NPL as a % of Covered Payroll Payroll
2024	0.056%	$10,175,307	$3,082,827	330%
2023	0.058%	8,718,799	3,009,939	289%
2022	0.046%	7,447,547	2,719,710	273%
2021	0.046%	8,356,718	2,460,060	339%
2020	0.044%	7,922,712	2,574,337	307 %
2019	0.040%	5,450,804	2,507,416	217%
2018	0.044 %	6,858,642	2,393,527	296%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year	Required Contribution	Contributions Recognized by PERS	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	$1,135,536	$1135,136	$ -	$ 3,082,827	27.14%
2023	820,889	820,889	-	3,009,939	27.27%
2022	763,895	763,815	-	2,719,710	28.08%
2021	890,532	890,532	-	2,460,060	36.19%
2020	702,374	702,375	-	2,574,337	27.28%
2019	318,103	312,814	5,289	2,507,416	12.68%
2018	276,930	270,817	6,103	2,393,527	11.56%

This Schedule is intended to show information for ten years. The State of New Jersey has issued five years of OPEB information to the Authority. Additional years' information will be displayed as it becomes available.

SCHEDULE 3

Bayshore Regional Sewerage Authority

Schedule of Cash Receipts, Cash Disbursements, and Investments

Unrestricted Accounts

Year Ended December 31,2024

	Revenue	Regular Account	Payroll Account	Reserve Account	Total
Cash and Investments 12/31/2023	272,468.00	2,554,733.00	721,226.00	5,932,524.00	9,480,951.00
Cash Reciepts-					-
FEMA		5,262,026.00			5,262,026.00
Service Charges	10,338,571.00				10,338,571.00
Outfall Charges	1,069,992.00				1,069,992.00
Transfers from other funds		14,787,946.00	3,459,537.00	15,204,542.00	33,452,025.00
Interest Received	11,393.00	78,021.00	20,191.00	205,644.00	315,249.00
Miscellaneous Income	1,655,485.00	-			1,655,485.00
Total cash available	13,347,909.00	22,682,726.00	4,200,954.00	21,342,710.00	61,574,299.00
Cash Disbursements-					
Transfer to Other Funds	13,201,542.00			18,303,186.00	31,504,728.00
Net Payroll and Payroll Taxes			3,657,583.00		3,657,583.00
Operations		20,812,386.00		-	20,812,386.00
Total cash disbursements	13,201,542.00	20,812,386.00	3,657,583.00	18,303,186.00	55,974,697.00
Cash and Investments 12/31/2024	146,367.00	1,870,340.00	543,371.00	3,039,524.00	5,599,602.00
Balance comprised of:					
Cash	146,368.00	1,870,340.00	543,371.00	727,685.00	3,287,764.00
Investments				2,311,839.00	2,311,839.00
	$ 146,368.00	$ 1,870,340.00	$ 543,371.00	$ 3,039,524.00	$ 5,599,603.00

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SCHEDULE 4

Bayshore Regional Sewerage Authority
Schedule of Cash Receipts, Cash Disbursements, and Investments
Restricted Accounts
Year Ended December 31, 2024

	Escrow Deposits	Construction Fund	Bond Service Fund	Capital Outlay Fund	Emergency Reserve	Total
Cash and Investments December 31 2023	$ 2,896,703.00	$ 5,397,509.00	$ 842,497.00	$ 7,817,823.00	$ 3,288,795.00	$ 20,243,327.00
Cash Receipts:						-
Interest Received	44,662.00	169,164.00	9,453.00	402,990.00	110,716.00	736,985.00
Received from Customers	20,117.00			-	-	20,117.00
Transfers from Other Funds		15,381,331.00	-		-	15,381,331.00
Total Cash and Investments Available	2,961,482.00	20,948,004.00	851,950.00	8,220,813.00	3,399,511.00	36,381,760.00
Cash Disbursements:						
Debt Service			841,516.00	-		841,516.00
Project Reimbursements		3,989,946.00	-	-		3,989,946.00
Construction Costs		10,181,342.00	-	-		10,181,342.00
Transfers to Other Funds	-		-	2,000,000.00	-	2,000,000.00
Total Cash Disbursements	-	14,171,288.00	841,516.00	2,000,000.00	-	17,012,804.00
Cash and Investments December 31, 2024	2,961,482.00	6,776,716.00	10,434.00	6,220,813.00	3,399,511.00	19,368,956.00
Balance Comprised of:						
Cash	2,961,482.00	6,776,716.00	10,434.00	6,220,813.00	-	15,969,445.00
Investments	-	-	-	-	3,399,511.00	3,399,511.00
	$ 2,961,482.00	$ 6,776,716.00	$ 10,434.00	$ 6,220,813.00	$ 3,399,511.00	$ 19,368,956.00

SCHEDULE 5

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Bayshore Regional Sewerage Authority
Schedule of Operating Revenues and Costs Funded
by Operating Revenues Compared to Budget
For the Year Ended December 31, 2024
With Comparative Actual Amounts for the Year Ended December 31, 2023

	2024 Budget	2024 Actual	2023 Actual
Revenues:			
Treatment Charges	$ 10,338,571	$ 10,338,571	$ 10,144,477
Interest on Investments	400,000	973,232	1,033,815
Connection Fees	500,000	1,569,945	1,827,259
Sundry	15,000	65,692	20,253
	$ 11,253,571	$ 12,947,440	$ 13,025,804
Expenses:			
Salaries: Superintendents	$ 863,733	$ 697,682	$ 803,070
Plant Operations	1,899,119	1,787,718	1,648,704
Commissioners and Project Managers	355,201	361,453	334,557
Office Staff	286,423	276,953	219,503
Pension	418,008	297,934	27,946
Social Security Tax	258,000	225,544	215,974
Unemployment Compensation Insurance	13,370	8,062	7,917
Health Insurance	1,117,481	594,506	1,056,728
Life Insurance	9,222	7,511	7,577
Uniform and Safety Shoes	8,802	3,613	5,296
Memberships	22,527	10,126	15,260
Training and Seminars	38,603	46,233	39,566
Sick-Vacation-Holiday Pay	30,000	23,543	16,106
Electric Plant	899,992	971,338	1,117,453
Incineration Fuel	315,000	250,410	266,842
Natural Gas	134,736	84,002	77,583
Plant Telephone	4,800	4,983	4,551
Water	131,390	152,154	129,039
Gasoline	9,375	13,424	12,077
Machinery Repairs	155,500	138,674	178,569
Computer Maintenance	13,500	12,248	10,854
Service Contracts	294,339	289,280	227,630
Major Projects/Repairs	48,000	14,577	12,694
Electrical/Instrument Repairs	51,000	89,383	99,261
Chemicals	603,863	479,565	545,763
Operating Supplies	10,000	2,127	10,805
Grounds Maintenance	14,000	12,400	15,353
Fire and Safety Equipment	12,000	11,100	11,405
Incinerator Sand	14,000	8,567	4,758
Major Projects/Repairs	20,000	7,369	13,994
Scavengers	38,460	28,654	22,261
Ash Removal	80,000	85,987	126,881
Lab Chemicals and Supplies	30,000	36,058	41,043
Lab Calibrations	10,000	10,013	7,843
Electric Pump Stations	45,000	80,583	50,304
Telephone - Alarm System	12,100	10,130	9,423
Line Maintenance, Parts and Supplies	38,750	27,971	39,495

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Bayshore Regional Sewerage Authority
Schedule of Operating Revenues and Costs Funded
by Operating Revenues Compared to Budget
For the Year Ended December 31, 2024
With Comparative Actual Amounts for the Year Ended December 31, 2023

	2024 Budget	2024 Actual	2023 Actual
Expenses (Continued)			
Truck Expense	$ 9,000	$ 6,681	$ 6,863
Water - Pump Stations	28,000	51,065	32,644
Line Rehabilitation	1,400	3,996	-
TV Inspection/Cleanings	150,000	79,349	-
Sludge Testing	32,800	31,348	94,407
Fees and Permits	59,370	30,638	71,566
Municipal Host Benefit	12,200	12,200	12,200
Professional Fees:			
Legal	50,000	26,174	23,714
Accounting	50,000	43,523	38,874
Engineering	80,000	42,939	42,024
Trustee & Bank Fees	15,000	11,865	14,612
Consultants: Other	70,000	64,562	34,655
Payroll Services	16,342	15,724	16,322
Office Expense:			
Office Maintenance	2,500	-	600
Insurance	317,500	328,453	284,870
Advertisements	4,000	850	5,155
Telephone	3,000	2,870	2,643
Office Supplies	7,500	7,703	5,588
Printing and Postage	3,000	1,692	2,295
Office Equipment Rental	3,500	2,634	3,018
Promotions	3,000	5,689	596
Miscellaneous	3,500	6,210	6,429
Other Costs Funded By Operating Revenues:			
Principal Maturities	717,604	715,739	695,739
Depreciation	-	2,972,080	3,153,913
Interest	122,162	114,001	129,912
Total Costs Funded by Operating Revenues	10,067,672	11,740,160	12,112,654
Operating Excess	1,185,899	1,207,280	913,150
	$ 11,253,571	$ 12,947,440	$ 13,025,804
Capital Outlays Funded by Operating Revenues and Net Position	$ 1,100,000	$ 5,405,435	$ 5,134,760

ROSTER OF OFFICIALS

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Authority Members	Position	Amount of Surety Bond
Scott Whalen	Chairperson	-
John Mioduszewski	Vice Chairperson	-
Samuel Lauro	Treasurer	$50,000
Bart Sutton	Secretary	-
Marcy McMullen	Assistant Secretary	-
Christopher Cavanaugh	Assistant Treasurer	-

Other Officials

Peter J. Canal	Executive Director	50,000

All Other

Office Staff	-	50,000
Plant Employees	-	50,000

Surety Company

NJ Utility Authorities Joint Insurance Fund
Westchester Surplus Lines Ins.

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SINGLE AUDIT SECTION

BART & BART *Certified Public Accountants*

34 Green Street, Woodbridge, NJ 07095 Tel: (732) 634 -5680 Fax: (732) 602 -1059

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTRAL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

DRAFT

To the Board of Commissioners
Bayshore Regional Sewerage Authority
Union Beach, New Jersey

Report on Compliance for Each Major Federal Program

We have audited Bayshore Regional Sewerage Authority (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 202~~3~~. 4 Bayshore Regional Sewerage Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Bayshore Regional Sewerage Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform administrative requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bayshore Regional Sewerage Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Bayshore Regional Sewerage Authority's compliance.

Opinion on Each Major Federal Program

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

BART & BART *Certified Public Accountants*

34 Green Street, Woodbridge, NJ 07095 Tel: (732) 634 -5680 Fax: (732) 602 -1059

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Report on Internal Control Over Compliance

Management of Bayshore Regional Sewerage Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Bayshore Regional Sewerage Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bayshore Regional Sewerage Authority's internal control over compliance.

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

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

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

Bart & Bart, CPAs

Woodbridge NJ

Bayshore Regional Sewerage Authority

County of Monmouth, New Jersey

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2024

Federal Grantor/Program Title	Federal CFDA Number	State Agency Pass-through Number	Award Amount	Current Year Expenditures	Cumulative Expenditures
U.S. Federal Emergency Management Agency	97.036	66 1200 100	2,797,938	$5,262,068	$12,698,542
Passed through State of New Jersey Department of Law and Public Safety				$ 5,262,068	$12,698,542

BAYSHORE REGIONAL SEWERAGE AUTHORITY
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Bayshore Regional Sewerage Authority ("Authority"). The Authority is defined in Note 1 (A) to the Authority's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other governmental agencies is included on the schedules or expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the Authority's basic financial statements. The information is this schedule is presented in accordance with the requirements of OMB Circular A-87. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The Authority has not elected to use the 10% de minimis indirect cost rate.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with the amounts reported in the Authority's basic financial statements.

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. FEDERAL AND STATE LOANS OUTSTANDING

The Authority had $14,273,472 in outstanding debt payable to state entities at December 31, 2024.

THE BAYSHORE REGIONAL SEWERAGE AUTHORITY
COUNTY OF MONMOUTH, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

MAJOR FEDERAL AWARD PROGRAMS

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Section 1 – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified dated December 15,2023

Internal control over financial reporting:

1. Material weakness(es) identified? ____ yes _X_ no

2. Significant deficiencies identified that are not considered to be material weaknesses? ____ yes _X_ no

Noncompliance material to general-purpose financials Statements noted? ____ yes _X_ no

Federal Financial Assistance

Internal control over major programs:

1. Material weakness(es) identified? ____ yes _X_ no

2. Reportable condition(s) identified that are not considered to be material weaknesses? ____ yes _X_ no

Type of auditor's report issued on compliance for Major programs: Unmodified dated December 15, 2023

3

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? ____ yes _X_ no

Identification of major programs:

Federal Grant Number:	Name of Program or Cluster
97.036	Emergency Management

Dollar threshold used to distinguish between Type A and Type B Programs: $750,000.00.

Auditee qualified as low-risk auditee? _X_ yes __ no

THE BAYSHORE REGIONAL SEWERAGE AUTHORITY
COUNTY OF MONMOUTH, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2024

FOR THE YEAR ENDED DECEMBER 31, 2024:

There were no findings for the year ended December 31, 2024

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Bayshore Regional Sewerage Authority

General Comments and Recommendations

For the Year Ended December 31, 2024

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I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified Opinion issued on Financial Statements – presented in accordance with Governmental Accounting Standards generally accepted in the United States of America, dated ___________ 2025.
Internal control over financial reporting:	
1) Material Weakness identified?	NO
2) Significant deficiencies identified that are not considered to be a Material Weakness?	NO
3) Non-compliance Material to Financial Statements	NO

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS.

NONE