THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Borough of Pompton Lakes)

FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2025 AND 2024

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THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Borough of Pompton Lakes)

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THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Borough of Pompton Lakes)

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Financial Section

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Pompton Lakes Borough Municipal Utilities Authority
2000 Lincoln Avenue
Pompton Lakes, New Jersey 07442

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Pompton Lakes Borough Municipal Utilities Authority, which comprise the statement of net position as of May 31, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the 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 financial position of the Pompton Lakes Borough Municipal Utilities Authority as of May 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pompton Lakes Borough Municipal Utilities Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

- Obtain an understanding of 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 Pompton Lakes Borough Municipal Utilities 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 Pompton Lakes Borough Municipal Utilities Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprises the Pompton Lakes Borough Municipal Utilities Authority's financial statements. The Supplemental Schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2025 on our consideration of the Pompton Lakes Borough Municipal Utilities 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 Pompton Lakes Borough Municipal Utilities Authority's internal control over financial reporting and compliance.

Very truly yours,

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

October 17, 2025

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Required Supplementary Information - Part I

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Management Discussion and Analysis

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THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Borough of Pompton Lakes)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Pompton Lakes Borough Municipal Utilities Authority, we offer the Authority's financial statements this narrative overview and analysis of the Authority's financial performance during the fiscal years ended May 31, 2025 and 2024. Please read this analysis in conjunction with the Authority's financial statements, which follow this section.

Financial Highlights

- The Authority's assets exceeded its liabilities by $2,831,473 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by $2,499,341.

- Total net position is comprised of the following:

  (1) Capital assets, net of related debt, of $6,264,695 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Restricted net position of $-0- are restricted by constraints imposed from outside the Authority such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $(3,433,222) represent the portion available to maintain the Authority's continuing obligations to citizens and creditors.

- Total liabilities of the Authority increased by $7,056,458 to $15,620,697 during the fiscal year, largely due to increases in the Authority's proportionate share of the net OPEB liability, and the issuance of notes through the New Jersey Infrastructure Trust.

Overview of the Financial Statements

This annual report includes this management discussion, the independent auditor's report and the basic financial statements of the Authority. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The financial statements of the Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The *Statement of Net Position* includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses and Changes in Net Position*. This statement measures the results of the Authority's operations over the past year and can be used to determine whether the Authority has recovered all its costs through its user fees and other charges, operational stability and credit worthiness.

The final required financial statement is the *Statement of Cash Flows*. This statement reports cash receipts and cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as what operational sources provided cash, what was the cash used for, and what was the change in cash balance during the reporting period.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. This supplementary information follows the notes to the financial statements.

Financial Analysis of the Authority

One of the most important questions asked about the Authority's finances is "Is the Authority as a whole better able to fulfill its mission as a result of this years activities?" The *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Net Position* report information about the Authority's activities in a way that will help answer this question. These two statements report net position of the Authority and the changes in those assets. The reader can think of the Authority's net position – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider the non-financial factors such as changes in economic conditions, population growth, development, and new or changed government regulation.

Net Position

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Authority as a whole.

The Authority's net position at fiscal year-end are $2,831,473. This is a $332,132 increase over last year's net position of $2,499,341. A summary of the Authority's statement of net position is presented in the following table:

Condensed Statement of Net Position

	FY 2025	FY 2024	Dollar Change	Percent Change
Current and Other Assets	9,376,743	2,533,051	6,843,692	270.18%
Capital Assets	9,236,750	9,155,128	81,622	0.89%
Total Assets	18,613,493	11,688,179	6,925,314	59.25%
Deferred Outflows of Resources	2,121,926	9,155,128	(85,349)	(3.87)%
Long-term Debt Outstanding	8,775,963	2,358,479	6,417,484	272.10%
Other Liabilities	6,844,734	6,205,760	638,974	10.30%
Total Liabilities	15,620,697	8,564,239	7,056,458	82.39%
Deferred Inflows of Resources	2,283,249	2,831,874	(548,625)	(19.37)%
Invested in Capital Assets, Net of Related Debt	6,264,695	6,419,584	(154,889)	(2.41)%
Unrestricted	(3,433,222)	(3,920,243)	487,021	(12.42)%
Total Net Position	2,831,473	2,499,341	332,132	13.29%

While the *Statement of Net Position* shows the change in financial position of net position, the *Statement of Revenues, Expenses and Changes in Net Position* provides answers as to the nature and source of these changes. As can be seen in the above table, net position increased by $332,132.

Net Position (Continued)

Net position for the years ending May 31, 2024 and 2023, were as follows:

Condensed Statement of Net Position

	FY 2024	FY 2023	Dollar Change	Percent Change
Current and Other Assets	2,533,051	3,229,023	(695,972)	(21.55)%
Capital Assets	9,155,128	9,240,029	(84,901)	(0.92)%
Total Assets	11,688,179	12,469,052	(780,873)	(6.26)%
Deferred Outflows of Resources	9,155,128	1,670,966	7,484,162	447.89%
Long-term Debt Outstanding	2,358,479	2,651,522	(293,043)	(11.05)%
Other Liabilities	6,205,760	5,869,764	335,996	5.72%
Total Liabilities	8,564,239	8,521,286	42,953	0.50%
Deferred Inflows of Resources	2,831,874	2,885,759	(53,885)	(1.87)%
Invested in Capital Assets, Net of Related Debt	6,419,584	6,204,418	215,166	3.47%
Unrestricted	(3,920,243)	(3,471,445)	(448,798)	12.93%
Total Net Position	2,499,341	2,732,973	(233,632)	(8.55)%

Net Position (Continued)

Condensed Statement of Revenues, Expenses and Changes in Net Position

	FY 2025	FY 2024	Dollar Change	Percent Change
Operating Revenue	4,111,214	3,560,473	550,741	15.47%
Total Revenues	4,111,214	3,560,473	550,741	15.47%
Depreciation	862,959	847,470	15,489	1.83%
Other Operating Expenses	2,891,361	2,917,024	(25,663)	(0.88)%
Other Non-Operating Expense	24,762	29,611	(4,849)	(16.38)%
Total Expenses	3,779,082	3,794,105	(15,023)	(0.40)%
Change in Net Position	332,132	(233,632)	565,764	(242.16)%
Beginning Net Position - June 1	2,499,341	2,732,973	(233,632)	(8.55)%
Ending Net Position May 31	2,831,473	2,499,341	332,132	13.29%

The Authority's Operating Revenues increased by $550,741 to $4,111,214 in 2025 from $3,560,473 in 2024. This increase is primarily due to an increase in water and sewer charges from a rate increase and an increase in interest income.

Net Position (Continued)

Condensed Statement of Revenues, Expenses and Changes in Net Position

	FY 2024	FY 2023	Dollar Change	Percent Change
Operating Revenue	3,560,473	3,381,963	178,510	5.28%
Total Revenues	3,560,473	3,381,963	178,510	5.28%
Depreciation	847,470	883,331	(35,861)	(4.06)%
Other Operating Expenses	2,917,024	2,466,683	450,341	18.26%
Other Non-Operating Expense	29,611	29,255	356	1.22%
Total Expenses	3,794,105	3,379,269	414,836	12.28%
Change in Net Position	(233,632)	2,694	(236,326)	(8772.31)%
Beginning Net Position - June 1	2,732,973	2,730,279	2,694	0.10%
Ending Net Position May 31	2,499,341	2,732,973	(233,632)	(8.55)%

Budgetary Highlights

The State of New Jersey requires local authorities to prepare and adopt annual budgets in accordance with the Local Authorities Fiscal Control Law and regulations adopted by the Local Finance Board pursuant to this statute and codified as N.J.A.C. 5:31-1 et seq. The statutory budget was designed to demonstrate to the Bureau of Authority Regulation of the Division of Local Government Services that the cash flows of the Authority for the coming year will be sufficient to cover operating expenses, interest accruing on bonded indebtedness and cash payments of maturing bond and loan principal.

Budgetary Highlights (Continued)

The following table provides a 2025 budget comparison:

Budget vs. Actual
FY 2025

	Budget	Actual	Variance
Revenues:			
Operating	3,999,261	4,111,214	111,953
Non-Operating	-0-	-0-	-0-
	3,999,261	4,111,214	111,953
Expenses:			
Operating	3,666,500	3,450,735	215,765
Debt Service	332,761	330,287	2,474
	3,999,261	3,781,022	218,239
Income Before Depreciation	-0-	330,192	330,192

The following table provides a 2024 budget comparison:

Budget vs. Actual
FY 2024

	Budget	Actual	Variance
Revenues:			
Operating	3,554,463	3,668,129	113,666
Non-Operating	-0-	-0-	-0-
	3,554,463	3,668,129	113,666
Expenses:			
Operating	3,222,500	3,138,251	84,249
Debt Service	331,963	329,679	2,284
	3,554,463	3,467,930	86,533
Income Before Depreciation	-0-	200,199	200,199

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the Authority had $32,562,758 in capital assets. Included in that amount is $1,237,625 of capital that was contributed to the Authority. The Authority's net property, plant and equipment at fiscal year end was $9,236,750. This is a $81,622 increase over last year's net property, plant and equipment of $9,155,128. A summary of the Authority's capital assets is presented in the following table:

CAPITAL ASSETS

	FY 2025	FY 2024	Dollar Change	FY 2023
Land	605,689	605,689	-0-	65,652
Buildings, Force Mains and Interceptors	26,122,724	26,044,995	77,729	25,899,777
Vehicles and Equipment	5,834,345	5,663,340	171,005	5,619,642
Total Property, Plant and Equipment	32,562,758	32,314,024	248,734	31,585,071
Less: Accumulated Depreciation	24,055,470	23,192,511	862,959	22,345,042
Total Capital Assets	8,507,288	9,121,513	(614,225)	9,240,029
Construction in Progress	729,462	33,615	695,847	-0-
Net Property, Plant and Equipment	9,236,750	9,155,128	81,622	9,240,029

Capital Assets (Continued)

The Authority's on going capital plan is reviewed each year by the Authority's consulting engineer. Notable future capital improvements are listed below:

	Estimated Total Cost	Unrestricted Net Position Utilized	Debt Authorization	Other Sources
Water Fund:				
Infrastructure	300,000	300,000		
Misc. Building Upgrades	20,000	20,000		
Water Accountability Act Projects	90,000	90,000		
Well #3 PFAS Treatment	6,000,000		6,000,000	
SCADA System Update	30,000	30,000		
Total	6,440,000	440,000	6,000,000	-0-
Sewer Fund:				
Misc. Treatment Plant Upgrades	2,000,000		2,000,000	
Misc. Building Upgrades	100,000	100,000		
Sewer Inspection Camera	120,000			
North Pump Station Replacement	1,500,000	120,000	1,500,000	
Misc. Upgrades to Pump Stations	1,250,000		1,250,000	
SCADA System Upgrade	90,000	90,000		
Generator Transfer Switch	75,000	75,000		
Total	5,135,000	385,000	4,750,000	-0-
Total Proposed Capital Budget	$11,575,000	$825,000	$10,750,000	$ -0-

Debt Administration

At May 31, 2025, the Authority had outstanding New Jersey Infrastructure Bank Loans in the amount of $1,890,835. The debt service matures in the year 2035. Interest rates range from 0.00% to 5.00%. The Authority also has a N.J. Department of Environment Protection Dam Restoration Loan outstanding in the amount of $467,644. The Loan has a term of 20 years maturing in 2041, and a rate of 2.00%. The Authority also has temporary financing notes issued through the New Jersey Infrastructure Bank in the amount of $6,710,000.

Contacting the Authority

This financial report is designed to provide our customers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the fees it receives. If you have any questions about this report or need additional information, contact the Pompton Lakes Borough Municipal Utilities Authority, 2000 Lincoln Avenue, Pompton Lakes, New Jersey 07442.

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Financial Statements

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The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Statement of Net Position

For the Fiscal Year Ended May 31,

		2025	2024
ASSETS			
Current Assets:			
Unrestricted:			
Cash and Cash Equivalents	$	2,394,696	2,211,426
Accounts Receivable-User Charges		180,822	141,360
Miscellaneous Receivables		2,488	3,885
Due From NJ Infrastructure Bank		124,072	
Prepaid Expenses		104,874	87,066
Total Unrestricted Assets		2,806,952	2,443,737
Restricted:			
Construction Fund:			
Due From NJ Infrastructure Bank		6,467,964	
Customer Deposits:			
Cash and Cash Equivalents		59,975	55,252
Escrow Deposits:			
Cash and Cash Equivalents		41,852	34,062
Total Current Assets:	$	9,376,743	2,533,051
Non-Current Assets:			
Capital Assets:			
Property, Plant and Equipment	$	32,562,758	32,314,024
Less: Accumulated Depreciation		(24,055,470)	(23,192,511)
Construction in Progress		729,462	33,615
Total Capital Assets		9,236,750	9,155,128
TOTAL ASSETS	$	18,613,493	11,688,179
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items		254,566	362,271
OPEB Related Items		1,867,360	1,845,004
TOTAL DEFERRED OUTFLOWS OF RESOURCES		2,121,926	2,207,275

See accompanying notes to the financial statements.

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Statement of Net Position

For the Fiscal Year Ended May 31,

		2025	2024
LIABILITIES			
Current Liabilities:			
Payable From Unrestricted Assets:			
Accounts Payable - Operating	$	114,432	59,375
Accrued Interest on Bonds Payable		13,488	14,944
Loans Payable - Current Portion		292,516	292,043
Total Current Liabilities Payable From Unrestricted Assets		420,436	366,362
Payable From Restricted Assets:			
Accounts Payable - Capital		300,000	
Customer Deposits		59,975	55,252
Escrow Deposits Payable		41,852	34,062
Total Current Liabilities Payable From Restricted Assets		401,827	89,314
Non-Current Liabilities :			
Compensated Absences Payable		31,715	29,400
Net Pension Liability		2,033,653	2,266,029
Net OPEB Liability		3,957,103	3,454,655
NJ Infrastructure Notes Payable		6,710,000	
Long-Term Portion of Loans Payable		2,065,963	2,358,479
Total Non-Current Liabilities		14,798,434	8,108,563
TOTAL LIABILITIES	$	15,620,697	8,564,239
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items		213,533	207,642
OPEB Related Items		1,998,176	2,539,210
Gain on Advanced Refunding of Debt		24,083	29,862
Unamortized Bond Premium		47,457	55,160
TOTAL DEFERRED INFLOWS OF RESOURCES		2,283,249	2,831,874
NET POSITION			
Net Investment in Capital Assets		6,264,695	6,419,584
Unrestricted:			
Designated		1,176,000	1,094,500
Undesignated		(4,609,222)	(5,014,743)
TOTAL NET POSITION	$	2,831,473	2,499,341

See accompanying notes to the financial statements.

Exhibit B

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Statement of Revenues, Expenses and Changes in Net Position

For The Fiscal Year Ended May 31,

		2025	2024
Operating Revenues:			
Water Charges	$	1,079,797	826,372
Sewer Charges		2,567,200	2,231,013
Connection Fees		86,577	174,988
Other		261,435	259,721
Interest On Delinquent Accounts		27,370	24,660
Interest Income		88,835	43,719
Total Operating Revenues		4,111,214	3,560,473
Operating Expenses:			
Costs of Providing Services		1,786,221	1,835,478
Administrative, General and Employee Benefits		1,105,140	1,081,546
Depreciation		862,959	847,470
Total Operating Expenses		3,754,320	3,764,494
Operating Income (Loss)		356,894	(204,021)
Non-Operating Revenues (Expenses):			
Interest Expense		(38,244)	(43,093)
Amortization		13,482	13,482
Non-Operating Income / (Loss)		(24,762)	(29,611)
Change in Net Position		332,132	(233,632)
Net Position - June 1,		2,499,341	2,732,973
Net Position - May 31,	$	2,831,473	2,499,341

See accompanying notes to the financial statements.

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The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Statement Of Cash Flows

For The Fiscal Year Ended May 31,

		2025	2024
Cash Flow from Operating Activities:			
Cash received from customers and users	$	3,984,314	3,548,720
Interest received		88,835	43,719
Cash Paid to employees		(1,116,244)	(1,344,234)
Cash Paid for employee benefits		(608,490)	(616,098)
Cash Paid to suppliers and others		(1,294,272)	(1,211,519)
Interest paid		(39,700)	(40,430)
Net Cash Provided by Operating Activities		1,014,443	380,158
Cash Flow from Investing Activities:			
Purchase of Property, Plant and Equipment		(644,581)	(762,568)
Net Cash Provided by (used in) Investing Activities		(644,581)	(762,568)
Cash Flow from Financing Activities:			
Received from NJ Infrastructure Bank		117,964	
Repayment of NJIB and Dam Restoration Loans		(292,043)	(286,586)
Net Cash Used in Financing Activities		(174,079)	(286,586)
Net Increase/(Decrease) in Cash and Cash Equivalents		195,783	(668,996)
Cash and Cash Equivalents at Beginning of Year		2,300,740	2,969,736
Cash and Cash Equivalents at End of Year	$	2,496,523	2,300,740

Reconciliation to Statement of Net Position -			
Cash and Cash Equivalents:			
Unrestricted Assets	$	2,394,696	2,211,426
Restricted Assets:			
Customer Deposit Account		59,975	55,252
Escrow Accounts		41,852	34,062
	$	2,496,523	2,300,740

See accompanying notes to the financial statements.

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Statement Of Cash Flows

For The Fiscal Year Ended May 31,

		2025	2024
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating Income/(Loss)	$	356,894	(204,021)
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:			
Depreciation		862,959	847,470
Pension Adjustment		(118,780)	(157,194)
OPEB Adjustment		(60,942)	(64,033)
Interest Expense		(38,244)	(43,093)
(Increase) Decrease In:			
Accounts Receivable-User Charges		(39,462)	21,158
Miscellaneous Receivables		1,397	10,808
Prepaid Expenses		(17,808)	(4,990)
Increase (Decrease) In:			
Accounts Payable - Operating		55,057	(12,690)
Accrued Interest Payable		(1,456)	2,663
Customer Deposits		4,723	1,196
Escrow Deposits Payable		7,790	(62)
Compensated Absences Payable		2,315	(17,054)
Net Cash Provided by Operating Activities	$	1,014,443	380,158

See accompanying notes to the financial statements.

Notes to Financial Statements

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pompton Lakes Borough Municipal Utilities Authority was created to construct and operate a water distribution system and a wastewater collection and treatment system to serve the Borough of Pompton Lakes, New Jersey. The Authority bills and collects its revenue only from the users of the systems. On May 1, 1993 the Authority entered into a service contract with the Borough of Pompton Lakes.

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

A. Basis of Presentation and Accounting

Basis of Presentation

The financial statements of the Pompton Lakes Borough Municipal Utilities Authority have been prepared in accordance with generally accepted accounting principles (GAAP) applicable to enterprise funds of state and local governmental units. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and or net income is appropriate for capital maintenance, public policy, accountability or other purposes. The Governmental Accounting Standards Board GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's significant accounting policies are described below.

The Authority has adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which amends the net asset reporting requirement of Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and other pronouncements by incorporating deferred outflows from resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The classifications of net position are defined as follows:

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Basis of Presentation and Accounting, (continued)

- *Net Investment in Capital Assets* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are any significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather that portion of the debt is included in the same net position component as the unspent proceeds.

- *Restricted* - This component of net position consists of constraints placed on net position used through external constraints imposed by creditors (such as through debt convents), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted* - This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Basis of Accounting

The Pompton Lakes Borough Municipal Utilities Authority prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Under the accrual basis of accounting, revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

Reporting Entity

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential 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,* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34.* Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in separate column in financial statements to emphasize that is legally separate from the government.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Basis of Presentation and Accounting, (continued)

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 to fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

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

Based upon the application of these criteria, the Authority has no component units.

The Authority is financially accountable to the Borough of Pompton Lakes (the "Borough") since the Borough appoints a voting majority of the Authority's board, and (1) the Borough is able to significantly influence the programs or services performed or provided by the Authority; or (2) the Borough is legally entitled to or can otherwise access the Authority's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the Authority; or the Borough is obligated for the debt of the Authority. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the Authority is a component unit of the Borough of Pompton Lakes.

B. Grants

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

C. Accounts Receivable

Bad debts are charged to operations in the year in which the account is determined uncollectable. If the reserve method of accounting for uncollectable accounts were used, it would not have a material effect on the financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Inventories

Inventories of materials and supplies are considered expenditures when purchased.

E. Property, Plant and Equipment

Property, plant and equipment is stated at cost which includes direct construction costs and other expenditures related to construction.

System construction costs are changed to construction in progress until such time as given segments of the system are completed and put into operation.

Depreciation is determined on the straight-line method for all property, plant equipment. Depreciation is provided over the following estimated useful lives:

Water and Sewer Systems	75 Years
Treatment Plants	40 Years
Buildings	40 Years
Equipment	5-40 Years

F. Restricted Accounts

The Authority has established the following restricted accounts:

Construction account for the payment of current and future project construction costs.

Customer deposit for monies received from customer to assure payment or performance. Deposits are retained in the account until the customer withdraws from the system and satisfies all outstanding debts to the Authority.

Escrow deposit accounts for the payment of costs of various projects.

G. Accrued Vacation Benefits

Pompton Lakes Borough Municipal Utilities Authority employees are granted sick and vacation leave in varying amounts. Employees are permitted to accumulate sick days, however no reimbursement is given upon termination or resignation. In the event of termination, an employee is reimbursed for accumulated vacation days. Accrued vacation benefits amounting to $31,715 and $29,400, as of May 31, 2025 and 2024 respectively, have been recorded as expenditures and liabilities of the Authority.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

H. Allowance for Doubtful Accounts

The Authority does not provide an allowance for doubtful accounts because of the Authority's ability to compel payments through the lien or shut off process.

I. Operating Fund Budget

The budget amounts included in the schedule of operating revenues and cost funded by operating revenues compared to budget were approved in accordance with the requirements of the "Local Finance Board" of the State of New Jersey, and were adopted by the Commissioners after a public hearing.

J. 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 certain estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

K. Net Position

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

1) Net investment in capital assets - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets.

2) Restricted - when constraints placed on net position are either a) externally imposed by creditors (such as debt covenants), grants, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

3) Unrestricted - any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

L. Recent Accounting Pronouncements

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Authority is determining what effects, if any, this pronouncement will have on future financial statements.

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. The Authority is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

In September 2024, the Government Accounting Board issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The Authority is determining what effects, if any, this pronouncement will have on future financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

M. Deferred Outflows and Deferred Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflow of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Authority is required to report the following as deferred outflows of resources and deferred inflows of resources:

Defined Benefit Pension Plans - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contribution and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

Deferred Loss/Gain on Refunding of Bonds - Deferred losses and gains on refunding arising from the issuance of revenue refunding bonds, are recorded as deferred outflows of resources or deferred inflows of resources, and are amortized in a systematic and rational method as a component of interest expense.

Bond Premiums - Premiums received in connection with the issuance of long-term debt are recorded as deferred inflows of resources. The premiums are amortized in a systematic and rational method as a component of interest expense.

2. CASH AND CASH EQUIVALENTS

Deposits - The Authority's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Authority is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lessor of 75% of its capital funds or $200 million for all deposits not covered by the FDIC. Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At May 31, 2025 and 2024, the book value of the Authority's deposits were $2,496,523 and $2,300,740, respectively, and bank balances of the Authority's cash and deposits amounted to $2,689,731 and $2,428,833, respectively.

The Authority's deposits which are displayed on the balance sheet as "cash and cash equivalents" are categorized as:

	2025	2024
Insured:		
Restricted	$101,827	$89,314
Unrestricted	2,394,696	2,211,426
	$2,496,523	$2,300,740

As of May 31, 2025, cash and cash equivalents consist of the following:

Cash – Checking Accounts	$789,719
New Jersey Cash Management Fund	1,706,304
Petty Cash	500
	$2,496,523

2. CASH AND CASH EQUIVALENTS, (continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based on banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of May 31, 2025 and 2024, $-0- of the Authority's bank balance of $2,689,731 a $2,428,833, respectively, was exposed to custodial credit risk.

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default or principal interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of May 31, 2025, the Authority has $1,706,304 on deposit with the New Jersey Cash Management Fund.

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3. PROPERTY, PLANT AND EQUIPMENT

Activity for property, plant and equipment is summarized below for fiscal years 2025 and 2024:

	Balance May 31, 2024	Additions	Deletions	Balance May 31, 2025
Capital Assets Being Depreciated:				
Buildings, Pumps, Mains	$26,044,995	$77,729	$	$26,122,724
Equipment and Vehicles	5,663,340	171,005		5,834,345
Total Capital Assets Being Depreciated	31,708,335	248,734		31,957,069
Capital Assets Not Being Depreciated:				
Land	605,689			605,689
Construction in Progress	33,615	695,847		729,462
Total Capital Assets Not Being Depreciated	639,304	695,847	0	1,335151
Total Capital Assets	32,347,639	944,581	0	33,292,220
Accumulated Depreciation	(23,192,511)	(862,959)		(24,055,470)
Net Property, Plant and Equipment	$9,155,128	$81,622	$0	$9,236,750

	Balance May 31, 2023	Additions	Deletions	Balance May 31, 2024
Capital Assets Being Depreciated:				
Buildings, Pumps, Mains	$25,899,777	$145,218	$	$26,044,995
Equipment and Vehicles	5,619,642	43,698		5,663,340
Total Capital Assets Being Depreciated	31,519,419	188,916		31,708,335
Capital Assets Not Being Depreciated:				
Land	65,652	540,037		605,689
Construction in Progress	0	33,615		33,615
Total Capital Assets Not Being Depreciated	65,652	573,652	0	639,304
Total Capital Assets	31,585,071	762,568	0	32,347,639
Accumulated Depreciation	(22,345,042)	(847,469)		(23,192,511)
Net Property, Plant and Equipment	$9,240,029	($84,901)	$0	$9,155,128

4. UNAMORTIZED PREMIUM - DEFERRED INFLOW OF RESOURCES

The Authority received a premium of $40,422 in connection with the Series 2009 NJEIT financing; $41,356 in connection with the Series 2010 NJEIT financing; $46,956 in connection with the Series 2012 NJEIT financing; and $25,338 in connection with the Series 2016 NJEIT financing. These premiums are being amortized on a straight-line basis over the remaining lives of the bonds. Accumulated amortization at May 31, 2025 is $106,615 and at May 31, 2024 is $98,912. The unamortized balance is shown on the Statement of Net Position as a deferred inflow of resources.

5. LONG-TERM LIABILITIES

	Balance May 31, 2024	Additions	Reductions	Balance May 31, 2025	Amounts Due Within One Year
Bonds and Notes Payable:					
NJIB Loans Payable	$2,159,172	$	$(268,337)	$1,890,835	$268,333
NJDEP Dam Restoration Loan	491,350		(23,706)	467,644	24,183
NJIB Notes Payable		6,710,000		6,710,000	0
Total Bonds and Notes	$2,650,522	$6,710,000	$(292,043)	$9,068,479	$292,516

	Balance May 31, 2024	Additions		Reductions	Balance May 31, 2025	Amounts Due Within One Year
Other Liabilities:						
Compensated Absences	$29,400	$2,315	*	$	$31,715	$-0-
Net Pension Liability	2,266,029			(232,376)	2,033,653	-0-
Net OPEB Liability	3,454,655	502,448			3,957,103	-0-
Total Other Liabilities	5,750,084	504,763		(232,376)	6,022,471	-0-
	$8,400,606	$7,214,763		$(524,419)	$15,090,950	$292,516

* The change in compensated absences is presented as a net change.

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6. LONG-TERM DEBT

On December 2, 2009, the Authority issued $735,000 Series 2009A (Trust) and $2,112,891 Series 2009A (Fund) subordinate bonds through the New Jersey Environmental Infrastructure Trust Program. These bonds were issued to fund various improvements to the Authority's facilities. The Series 2009A Fund Bonds had $1,408,594 in principal forgiven through the New Jersey Infrastructure Trust Program. In 2019, the NJEIT refunded the outstanding bonds, resulting in a principal savings credit of $25,000.

On February 23, 2010, the Authority issued $71,914 Series 2010DL (Trust) and $204,192 Series 2010DL (Fund) subordinate bonds through the New Jersey Environmental Infrastructure Trust Program. These bonds were issued to fund various improvements to the Authority's facilities.

On December 2, 2010, the Authority issued $415,000 Series 2010B (Trust) and $420,860 (Fund) subordinate bonds through the New Jersey Environmental Infrastructure Trust Program. These bonds were issued to fund various improvements to the Authority's facilities. The Series 2010B Fund Bonds had $210,430 in principal forgiven through the New Jersey Infrastructure Trust Program. In 2017, the NJEIT refunded the outstanding bonds, resulting in a principal savings credit of $26,000.

On May 3, 2012, the Authority issued $370,000 Series 2012A (Trust) and $1,157,873 Series 2012A (Fund) subordinate bonds through the New Jersey Environmental Infrastructure Trust Program. These bonds were issued to fund various improvements to the Authority's facilities. In 2016, $13,763 in unspent funds were deobligated and the Series 2012A (Fund) loan was reduced. In 2022, the NJEIT refunded the outstanding bonds, resulting in a principal savings credit of $11,418.

On May 26, 2016, the Authority issued $260,000 Series 2016A (Trust) and $799,313 Series 2012A (Fund) subordinate bonds through the New Jersey Environmental Infrastructure Trust Program. These bonds were issued to fund various improvements to the Authority's facilities.

In March of 2022, the Authority received a loan in the amount of $526,036 under the New Jersey Department of Environmental Protection 2003 Dam Restoration Program. This loan was used to fund the restoration of the Twin Lakes Dam. This loan has an interest rate of 2.00% with semi-annual repayment due in June and December of each year.

6. LONG-TERM DEBT, (continued)

The following is a summary of the Authority's long-term debt for the fiscal years ended May 31, 2025 and 2024:

	Balance May 31, 2024	Issued	Deobligated/ Retired	Balance May 31, 2025
NJEIT Trust Loan Series 2009A	$280,000	$	$43,000	$237,000
NJEIT Fund Loan Series 2009A	213,805		37,730	176,075
NJEIT Trust - Direct Loan	27,421		4,149	23,272
NJEIT Fund - Direct Loan	60,900		10,747	50,153
NJEIT Trust Loan Series 2010	182,000		23,000	159,000
NJEIT Fund Loan Series 2010	73,002		22,173	61,729
NJEIT Trust Loan Series 2012	179,446		19,340	160,106
NJEIT Fund Loan Series 2012	461,791		62,029	399,762
NJEIT Trust Loan Series 2016A-1	190,000		15,000	175,000
NJEIT Fund Loan Series 2016A-1	490,807		42,069	448,738
NJDEP Dam Restoration Loan	491,350		23,706	467,644
	$2,650,522	$0	$292,043	$2,358,479

	Balance May 31, 2023	Issued	Deobligated/ Retired	Balance May 31, 2024
NJEIT Fund Loan Series 2009A	$251,536		$37,731	$213,805
NJEIT Trust - Direct Loan	31,425		4,004	27,421
NJEIT Fund - Direct Loan	71,647		10,747	60,900
NJEIT Trust Loan Series 2010	205,000		23,000	182,000
NJEIT Fund Loan Series 2010	84,275		11,273	73,002
NJEIT Trust Loan Series 2012	198,940		19,494	179,446
NJEIT Fund Loan Series 2012	523,820		62,029	461,791
NJEIT Trust Loan Series 2016A-1	200,000		10,000	190,000
NJEIT Fund Loan Series 2016A-1	532,876		42,069	490,807
NJDEP Dam Restoration Loan	514,589		23,239	491,350
	$2,937,108	$0	$286,586	$2,650,522

6. LONG-TERM DEBT, (continued)

The Authority has issued and outstanding the following bonds and loans as of May 31, 2025 and 2024:

	Interest Rate	2025	2024
NJEIT Trust Loan Series 2009A	3.75% - 4.00%	$237,000	$280,000
NJEIT Fund Loan Series 2009A	0.00%	176,075	213,805
NJEIT Trust - Direct Loan	3.72% - 4.18%	23,272	27,421
NJEIT Fund - Direct Loan	0.00%	50,153	60,900
NJEIT Trust Loan Series 2010	5.00%	159,000	182,000
NJEIT Fund Loan Series 2010	0.00%	61,729	73,002
NJEIT Trust Loan Series 2012	3.00% - 5.00%	160,106	179,446
NJEIT Fund Loan Series 2012	0.00%	399,762	461,791
NJEIT Trust Loan Series 2016A-1	2.00% - 5.00%	175,000	190,000
NJEIT Fund Loan Series 2016A-1	0.00%	448,738	490,807
NJDEP Dam Restoration Loan	2.00%	467,644	491,350
Net Carrying Amount of Debt		$2,358,479	$2,650,522
Current Portion		292,516	292,043
Long-Term Portion		2,065,963	2,358,479
		$2,358,479	$2,650,522

Presented below is a summary of debt service requirements to maturity by year.

May 31,	Principal	Interest	Total
2026	$292,515	$35,181	$327,696
2027	302,667	30,098	332,765
2028	306,119	24,914	331,033
2029	306,814	19,967	326,781
2030	296,373	15,048	311,421
2031-2035	603,217	39,187	642,404
2036-2040	201,636	13,787	215,423
2041-2042	49,138	986	50,124
Total	$2,358,479	$179,168	$2,537,647

7. CONSTRUCTION NOTES PAYABLE - NJ INFRASTRUCTURE BANK

The Authority has received financing for various projects from loans issued through the Water Bank Construction Financing Program of the New Jersey Infrastructure Bank. As of May 31, 2025, the Authority had the following activity and principal amounts outstanding on these notes:

Note	Project	Balance May 31, 2024	Issued	Retired	Balance May 31, 2025
NJWB-CFP-24-1	North Pumping Station Project	$-0-	1,210,000		$1,210,000
NJWB-CFP-24-2	Well #3 PFAS Project	-0-	5,500,000		5,500,000
		$-0-	$6,710,000	$	$6,710,000

The terms of the loan as spell out in the I-Bank loan agreement are as follows:

The maturity dates of the loan will be determined pursuant to clause (i), (ii) or (iii) of this definition, subject to being redetermined pursuant to clause (iv) or (v) of this definition, but subject, in all events, to the rights and remedies of the I-Bank pursuant to the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants and obligations of the Borrower hereunder, including, without limitation and in particular, the covenants and obligations of the Borrower set forth in Section 3 hereof.

(i) If the construction contract relating to the Project has not been certified for funding pursuant to the Act by the date that is the second anniversary of the Issue Date, then the Maturity Date shall be the second anniversary of the Issue Date. If this clause (i) is applicable, then the maturity date shall be June 27, 2026 being the second anniversary of the issue date.

(ii) If the construction contract relating to the Project has been certified for funding pursuant to the Act prior to the Issue Date, then the Maturity Date shall be June 30 of the third State Fiscal Year following the State Fiscal Year in which the Issue Date occurs, which is June 30, 2027. In the event that there is more than one construction contract relating to the Project, the determination under this clause (ii) shall be based on the first construction contract that has been certified for funding pursuant to the Act.

7. CONSTRUCTION NOTES PAYABLE - NJ INFRASTRUCTURE BANK, (continued)

(iii) If the construction contract relating to the Project has been certified for funding pursuant to the Act after the Issue Date and on or before the date that is the second anniversary of the Issue Date, then the Maturity Date shall be June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract relating to the Project has been certified for funding pursuant to the Act. In the event that there is more than one construction contract relating to the Project, the determination under this clause (iii) shall be based on the first construction contract that has been certified for funding pursuant to the Act. Thus:

(A) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the same State Fiscal Year as the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 2027, being June 30 of the third State Fiscal Year following the State Fiscal Year during which the Issue Date occurs.

(B) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the same State Fiscal Year as the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 2028, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.

(C) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the same State Fiscal Year as the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 2029, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.

(iv) Notwithstanding any of the forgoing, the Maturity Date shall be such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program;

(v) Notwithstanding any of the forgoing, the Maturity Date shall be such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and agreed by an Authorized Officer of the Borrower.

It is expected that this note will be permanently financed with long-term bonds issued through the New Jersey Infrastructure Bank.

8. GAINS ON DEBT DEFEASANCE

Accounting losses and gains on advanced refundings of debt are being amortized over the life of the new debt. The unamortized balances as of May 31, 2025 are as follows:

Gain on NJEIT Refunding (Series 2009)	$11,364
Gain on NJEIT Refunding (Series 2010)	4,727
Gain on NJEIT Refunding (Series 2012)	7,992
	$24,083

These unamortized gains are shown on the statement of net position as deferred inflows of resources.

9. PENSION PLANS

Description of Plans:

Authority employees participate in the State of New Jersey Public Employees' Retirement System (PERS) contributory, defined benefit public employee retirement systems or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of 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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

9. PENSION PLANS, (continued)

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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 years of service credit and Tier 5 with 30 or more years of service credit before 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

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS.

9. PENSION PLANS, (continued)

Contribution Requirements, (continued)

The Authority's contribution to the various plans, equal to the required contributions for each year, were as follows:

Year	PERS	DCRP
2025	$203,654	269
2024	209,095	263
2023	194,309	251

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At May 31, 2025 and 2024, the Authority had a liability of $2,033,653 and $2,266,029 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 governmental entities, actuarially determined. At June 30, 2024, the Authority's proportion was .0149664831 percent, which was a decrease of .000678166 percent from its proportion measured as of June 30, 2023.

For the year ended May 31, 2025, the Authority recognized pension expense of $84,872. At May 31, 2025, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$40,738	$5,414
Changes of assumptions	2,526	23,138
Net difference between projected and actual earnings on pension plan investments		94,295
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	211,302	90,686
Total	$254,566	$213,533

9. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2024) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended May 31:	
2025	$(86,344)
2026	66,810
2027	(38,437)
2028	(22,190)
2029	578

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16 and 5.21 years for 2024, 2023, 2022, 2021, 2020 and 2019 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2024 and June 30, 2023 are as follows:

	June 30, 2024	June 30, 2023
Collective deferred outflows of resources	$1,079,580,780	$1,080,204,730
Collective deferred inflows of resources	1,611,322,898	1,780,216,457
Collective net pension liability	13,588,045,796	14,484,374,047
Authority's Proportion	.0149664831%	.0156446491%

9. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

Mortality Rates

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

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

9. **PENSION PLANS, (continued)**

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of 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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

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

9. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate

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

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

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

	June 30, 2024		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Authority's proportionate share of the pension liability	$2,724,970	$2,033,653	$1,477,031

9. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE FINANCIAL STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS), (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

10. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 9, the Authority provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost. On December 11, 2007, the Authority adopted the provisions of N.J.S.A. 52:14-17.38 and adhered to the rules and regulations promulgated by the State Health Benefits Commission to implement the provisions of that law. This resolution affects employees as shown in Chapter 48, P.L. 1999.

Chapter 48, P.L. 1999, provides eligible participating local employers considerable flexibility in managing their postretirement medical costs. It also brings State Health Benefits Program (SHBP) and School Employees' Health Benefits Program (SEHBP) eligibility standards for employer-paid coverage into alignment with local government laws.

Adoption of this Resolution does not free the Pompton Lakes Municipal Utilities Authority of the obligation to pay for postretirement medical benefits of retirees or employees who qualified for those payments under any Chapter 88 or Chapter 48 Resolution previously adopted by the governing body.

The Resolution will remain in effect until properly amended or revoked with the State Health Benefits Program. The Pompton Lakes Municipal Utilities Authority recognizes that, while it remains in the State Health Benefits Program, it is responsible for providing the payment for postretirement medical coverage as listed in the Chapter 48 Resolution Addendum for all employees who qualify for this coverage while this Resolution is in force.

10. OTHER POST EMPLOYMENT BENEFITS, (continued)

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

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

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

10. OTHER POST EMPLOYMENT BENEFITS, (continued)

Total OPEB Liability

At May 31, 2025 and 2024, the Authority had a liability of $3,957,103 and $3,454,655, respectively, for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on a projection of the Authority's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2023, the Authority's proportion was .022100 percent, which is a decrease of .000921 percent from its proportion measured at June 30, 2023.

For the years ended May 31, 2025 and 2024, the Authority recognized OPEB (benefit)/expense of $11,879 and $(29,249), respectively. At May 31, 2025 and 2024, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$200,399	$670,469
Changes of assumptions	661,553	656,854
Net difference between projected and actual earnings on OPEB plan investments		1,791
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	1,005,408	669,062
Total	$1,867,360	$1,998,176

10. OTHER POST EMPLOYMENT BENEFITS, (continued)

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$159,311	$938,172
Changes of assumptions	447,507	976,520
Net difference between projected and actual earnings on OPEB plan investments		570
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	1,238,186	623,948
Total	$1,845,004	$2,539,210

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	$(248,398)
2026	(106,943)
2027	(18,377)
2028	(97,977)
2029	(62,421)
Thereafter	66,954

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7.89, 7.89, 7.82, 7.82, 7.87, 8.05 and 8.14 years for 2024, 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

10. OTHER POST EMPLOYMENT BENEFITS, (continued)

Actual Assumptions and Other Inputs

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

Salary increases*:	
Public Employees' Retirement System (PERS)	
Rate for all future years	2.75% to 6.55% based on years of service
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 16.25% based on years of service
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

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

10. OTHER POST EMPLOYMENT BENEFITS, (continued)

Discount Rate

The discount rate for June 30, 2024 and 2023 was 3.93% and 3.65%, respectively. This represents the municipal bond return rate as chosen by the Division. 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 that the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net OPEB liability as of June 30, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease 2.93%	At Current Discount Rate 3.93%	1% Increase 4.93%
Authority's proportionate share of Net OPEB liability	$4,609,599	$3,957,103	$3,434,512

	June 30, 2023		
	1% Decrease 2.65%	At Current Discount Rate 3.65%	1% Increase 4.65%
Authority's proportionate share of Net OPEB liability	$4,001,592	$3,454,655	$3,014,729

10. OTHER POST EMPLOYMENT BENEFITS, (continued)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates:

The following presents the Authority's proportionate share of the net OPEB liability as of June 30, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of Net OPEB liability	$3,346,902	$3,957,103	$4,741,651

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of Net OPEB liability	$2,936,051	$3,454,655	$4,118,628

11. COMMITMENTS AND CONTINGENT LIABILITIES

The Authority's attorney has advised them that there are no known material commitments or contingencies that would have a material effect on the financial statements.

12. RISK MANAGEMENT

The Pompton Lakes Borough Municipal Utilities Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Pompton Lakes Borough Municipal Utilities Authority is currently a member of the New Jersey Utility Authorities Joint Insurance Fund, a public entity risk pool currently composed of 46 member authorities. The Fund provides members with Property, Liability, and Workers Compensation Insurance, and Public Officials Liability Insurance.

13. DESIGNATION OF UNRESTRICTED NET POSITION

The Authority's General and Operating Accounts maintain funds that, although may be spent for any lawful purpose by the Authority, have been designated by the Board as follows:

	2025	2024
Appropriated in Subsequent Year's Budget	$825,000	$743,500
Designated for Retiree Health Benefits	351,000	351,000
	$1,176,000	$1,094,500

At May 31, 2024, the Authority reported a total amount of $1,176,000 of Unrestricted Net Position — Designated for the purposes describe above.

The remaining undesignated portion of the Authority's net position was comprised of the following at May 31, 2025 and 2024:

	2025	2024
Post-Retirement Employer Health Benefits Related	$(4,087,919)	$(4,148,861)
Accrued Unfunded Pension Liability	(1,992,620)	(2,111,400)
Available for Use in Future Budgets	1,471,317	1,245,518
Total	$(4,609,222)	($5,014,743)

14. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through October 17, 2025, the date which the financial statements were available to be issued and no other items were noted for disclosure.

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Required Supplementary Information - Part II

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THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
Schedules of Required Supplementary Information
Schedule of Authority's Share of Net Pension Liability - PERS
Last 10 Fiscal Years*

	Fiscal Year Ending May 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability (asset)	0.0149664831%	0.0156446491%	0.0154085330%	0.0134432430%	0.0126911701%	0.0138343012%	0.0141836000%	0.0131568323%	0.0132744142%	0.0130687267%
Authority's proportionate share of the net pension liability (asset)	$ 2,033,653	$ 2,266,029	$ 2,325,360	$ 1,592,554	$ 2,069,598	$ 2,492,731	$ 2,792,680	$ 3,062,700	$ 3,931,501	$ 2,933,667
Authority's covered payroll - PERS	$ 965,131	$ 1,124,352	$ 1,145,156	$ 1,178,786	$ 1,094,829	$ 995,677	$ 962,719	$ 974,299	$ 969,755	$ 939,426
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	210.71%	201.54%	203.06%	135.10%	189.03%	250.36%	290.08%	314.35%	405.41%	312.28%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
Schedules of Required Supplementary Information
Schedule of Authority's Contributions - PERS
*Last 10 Fiscal Years**

	Fiscal Year Ended May 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 203,654.00	$ 209,095.00	$ 194,309.00	$ 157,436.00	$ 138,835.00	$ 134,567.00	$ 141,081.00	$ 121,884.00	$ 117,928.00	$ 112,356.00
Contributions in relation to the contractually required contribution	$ (203,654.00)	$ (209,095.00)	$ (194,309.00)	$ (157,436.00)	$ (138,835.00)	$ (134,567.00)	$ (141,081.00)	$ (121,884.00)	$ (117,928.00)	$ (112,356.00)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll - PERS	$ 965,131	$ 1,124,352	$ 1,145,156	$ 1,178,786	$ 1,094,829	$ 995,677	$ 962,719	$ 974,299	$ 969,755	$ 939,426
Contributions as a percentage of covered payroll	21.10%	18.60%	16.97%	13.36%	12.68%	13.52%	14.65%	12.51%	12.16%	11.96%

THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
Note to Required Schedules of Supplementary Information
For the Year Ended May 31, 2025

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the Pension liability are presented in Note 9.

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THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY

Schedules of Required Supplementary Information

Schedule of Authority's Share of Net OPEB Liability

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Authority's proportion of the net OPEB liability (asset)	0.022100%	0.023021%	0.018823%	0.018949%	0.017275%	0.016096%	0.020277%	0.019063%
Authority's proportionate share of the net OPEB liability (asset)	$ 3,957,103	$ 3,454,655	$ 3,039,838	$ 3,410,779	$ 3,100,277	$ 2,180,376	$ 3,176,720	$ 3,891,862
Authority's covered payroll	$ 965,131	$ 1,124,352	$ 1,145,156	$ 1,178,786	$ 1,094,829	$ 995,677	$ 962,719	$ 974,299
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	410.01%	307.26%	265.45%	289.35%	283.17%	218.98%	329.97%	399.45%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.89%	-0.79%	-0.36%	0.28%	0.91%	1.98%	1.97%	1.03%

* GASB requires that ten years of information be presented. However, since fiscal year 2017 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY

Schedules of Required Supplementary Information

Schedule of Authority's OPEB Contributions

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 72,821.00	$ 34,784.00	$ 32,667.00	$ 26,203.00	$ 24,575.00	$ 31,511.00	$ 42,963.00	$ 62,350.00
Contributions in relation to the contractually required contribution	$ (72,821.00)	$ (34,784.00)	(32,667.00)	(26,203.00)	(24,575.00)	(31,511.00)	(42,963.00)	(62,350.00)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 965,131	$ 1,124,352	$ 1,145,156	$ 1,178,786	$ 1,094,829	$ 995,677	$ 962,719	$ 974,299
Contributions as a percentage of covered payroll	7.55%	3.09%	2.85%	2.22%	2.24%	3.16%	4.46%	6.40%

* GASB requires that ten years of information be presented. However, since fiscal year 2017 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
Schedules of Required Supplementary Information
Schedule of Changes in the Authority's Proportionate
Share of the State OPEB Contributions
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service Cost	$ 120,464	$ 137,467	$ 149,954	$ 160,323	$ 104,678	$ 107,292	$ 181,730	$ 202,931
Interest	122,533	133,839	75,550	78,418	85,934	102,383	154,933	123,609
Changes in Benefit Terms	23,795	5,304	75,758	384	179	(306)		
Difference Between Expected and Actual Experience	90,276	(488,811)	107,676	(226,667)	93,545	(225,331)	(735,322)	
Changes in Assumptions	383,654	58,727	(677,543)	64,269	531,201	(263,292)	(469,259)	(493,322)
Benefit Payments	(123,177)	(137,457)	(110,170)	(96,572)	(80,539)	(75,680)	(85,492)	(79,586)
Contributions - Members	14,223	14,368	10,008	8,207	6,486	6,961	10,947	10,215
Change in Allocation	(137,133)	675,498	(22,744)	303,186	162,927	(668,169)	250,436	(207,745)
Net Change in Total OPEB Liability	494,635	398,935	(391,511)	291,548	904,411	(1,016,142)	(692,027)	(443,898)
Total OPEB Liability - Beginning	3,427,729	3,028,794	3,420,305	3,128,757	2,224,346	3,240,488	3,932,515	4,376,413
Total OPEB Liability - Ending	$ 3,922,364	$ 3,427,729	$ 3,028,794	$ 3,420,305	$ 3,128,757	2,224,346	$ 3,240,488	$ 3,932,515
Plan Fiduciary Net Position:								
Contributions - Employer	$ 88,275	$ 99,309	$ 73,314	$ 61,603	$ 50,513	$ 55,759	$ 85,406	$ 72,785
Contributions - Non-Employer Contributing Entities	13,885	12,803	8,619	7,158	6,048	7,059	10,858	10,116
Contributions - Members	14,223	14,368	10,008	8,207	6,486	6,961	10,947	10,215
Net Investment Income	362	461	44	38	494	777	471	151
Benefit Payments	(123,177)	(137,457)	(110,170)	(96,572)	(80,539)	(75,680)	(85,492)	(79,586)
Administrative Expense	(2,457)	(2,904)	(2,322)	(2,148)	(1,713)	(1,526)	(1,663)	(1,696)
Change in Allocation	1,076	(2,462)	(63)	2,760	3,221	(13,148)	2,588	(1,429)
Net Change in Plan Fiduciary Net Position	(7,813)	(15,882)	(20,570)	(18,954)	(15,490)	(19,798)	23,115	10,556
Plan Fiduciary Net Position - Beginning	$ (26,926)	$ (11,044)	9,526	28,480	43,970	63,768	40,653	30,097
Plan Fiduciary Net Position - Ending	(34,739)	(26,926)	(11,044)	9,526	28,480	43,970	63,768	40,653
Authority's Net OPEB Liability	$ 3,957,103	$ 3,454,655	$ 3,039,838	$ 3,410,779	$ 3,100,277	$ 2,180,376	$ 3,176,720	$ 3,891,862

* GASB requires that ten years of information be presented. However, since fiscal year 2017 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
Note to Required Schedules of Supplementary Information
For the Fiscal Year Ended May 31, 2025

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the OPEB liability are presented in Note 10.

Supplementary Schedules

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Schedule 1

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Revenues, Expenses And
Changes In Net Position -
Restricted And Unrestricted

For The Fiscal Years Ended May 31, 2025 and 2024

	Invested in Capital Assets	Unrestricted		Total (Memo)	
		Designated	Undesignated	2025	2024
Operating Revenues:					
Water Charges			1,079,797	1,079,797	826,372
Sewer Charges			2,567,200	2,567,200	2,231,013
Connection Fees			86,577	86,577	174,988
Other			261,435	261,435	259,721
Interest on Delinquent Accounts			27,370	27,370	24,660
Interest Income			88,835	88,835	43,719
Total Operating Revenues			4,111,214	4,111,214	3,560,473
Operating Expenses:					
Costs of Providing Services			1,786,221	1,786,221	1,835,478
Administrative, General and Employee Benefits			1,105,140	1,105,140	1,081,546
Depreciation	862,959			862,959	847,470
Total Operating Expenses	862,959		2,891,361	3,754,320	3,764,494
Operating Income (Loss)	(862,959)		1,219,853	356,894	(204,021)
Non-Operating Revenue and (Expenses):					
Interest Expense			(38,244)	(38,244)	(43,093)
Amortization			13,482	13,482	13,482
			(24,762)	(24,762)	(29,611)
Net Income (Loss) Before Transfers and Capital Contributions	(862,959)		1,195,091	332,132	(233,632)
Transfers:					
Bond Principal Paid	292,043		(292,043)		
Capital Expenditures	944,581		(944,581)		
Other	(528,554)	81,500	447,054		
Increase (Decrease) in Net Position	(154,889)	81,500	405,521	332,132	(233,632)
Net Position, June 1	6,419,584	1,094,500	(5,014,743)	2,499,341	2,732,973
Net Position - May 31,	6,264,695	1,176,000	(4,609,222)	2,831,473	2,499,341

Appropriated in Subsequent Year's Budget	825,000
Designated for Retiree Health Benefits	351,000
	1,176,000

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The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Cash Receipts, Cash Disbursements
And Changes In Cash and Investments
Unrestricted And Restricted Accounts
For The Fiscal Year Ended May 31, 2025

	Operating Account	Payroll Fund	Revenue Fund
Cash, Cash Equivalents and Investments - June 1, 2024	162,666	8,740	1,515,649
Cash Receipts:			
Interest on Investments	4,471	1,365	5,736
Water and Sewer Charges			3,607,535
Connection Fees	86,577		
Customer Deposits			
Other	163,050		110,418
Employee/Employer Payroll Taxes		471,847	
NJ Infrastructure Bank Reimbursements			
Transfers	3,193,654	941,614	241,324
Total Cash Receipts	3,447,752	1,414,826	3,965,013
Cash and Investments Available	3,610,418	1,423,566	5,480,662
Cash Disbursements:			
Operations	2,249,260	737,960	
Capital Expenditures			
Employee/Employer Payroll Taxes		676,286	
Bond Principal Payments	292,043		
Bond Interest Payments	39,700		
Customer Deposits			
Other			2,909
Transfers	941,614		4,844,978
Total Cash Disbursements	3,522,617	1,414,246	4,847,887
Cash, Cash Equivalents and Investments - May 31, 2025	87,801	9,320	632,775
Analysis of Balance:			
Cash and Cash Equivalents	87,801	9,320	632,775
Investments	-	-	-
	87,801	9,320	632,775
Unrestricted	87,801	9,320	632,775
Restricted	-	-	
	87,801	9,320	632,775

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Cash Receipts, Cash Disbursements
And Changes In Cash and Investments
Unrestricted And Restricted Accounts
For The Fiscal Year Ended May 31, 2025

	Customer Deposit Account	Escrow Deposit Fund	General/ Capital Reserve Account
Cash, Cash Equivalents and Investments - June 1, 2024	55,252	34,062	209,172
Cash Receipts:			
Interest on Investments	1,859	778	158
Water and Sewer Charges			
Connection Fees			
Customer Deposits	6,612	30,000	
Other			179,783
Employee/Employer Payroll Taxes			
NJ Infrastructure Bank Reimbursements			117,964
Transfers			396,000
Total Cash Receipts	8,471	30,778	693,905
Cash and Investments Available	63,723	64,840	903,077
Cash Disbursements:			
Operations			
Capital Expenditures			644,581
Employee/Employer Payroll Taxes			
Bond Principal Payments			
Bond Interest Payments			
Customer Deposits	3,748	22,988	
Other			
Transfers			300,000
Total Cash Disbursements	3,748	22,988	944,581
Cash, Cash Equivalents and Investments - May 31, 2025	59,975	41,852	(41,504)
Analysis of Balance:			
Cash and Cash Equivalents	59,975	41,852	(41,504)
Investments	-	-	-
	59,975	41,852	(41,504)
Unrestricted	-	-	(41,504)
Restricted	59,975	41,852	-
	59,975	41,852	(41,504)

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Cash Receipts, Cash Disbursements
And Changes In Cash and Investments
Unrestricted And Restricted Accounts
For The Fiscal Year Ended May 31, 2025

	Certificates of Deposit	NJ Cash Management Fund	Total
Cash, Cash Equivalents and Investments - June 1, 2024	235,549	79,650	2,300,740
Cash Receipts:			
Interest on Investments	5,775	71,330	91,472
Water and Sewer Charges			3,607,535
Connection Fees			86,577
Customer Deposits			36,612
Other			453,251
Employee/Employer Payroll Taxes			471,847
NJ Infrastructure Bank Reimbursements			117,964
Transfers		2,141,324	6,913,916
Total Cash Receipts	5,775	2,212,654	11,779,174
Cash and Investments Available	241,324	2,292,304	14,079,914
Cash Disbursements:			
Operations			2,987,220
Capital Expenditures			644,581
Employee/Employer Payroll Taxes			676,286
Bond Principal Payments			292,043
Bond Interest Payments			39,700
Customer Deposits			26,736
Other			2,909
Transfers	241,324	586,000	6,913,916
Total Cash Disbursements	241,324	586,000	11,583,391
Cash, Cash Equivalents and Investments - May 31, 2025	-	1,706,304	2,496,523
Analysis of Balance:			
Cash and Cash Equivalents	-	1,706,304	2,496,523
Investments	-	-	-
		1,706,304	2,496,523
Unrestricted	-	1,706,304	2,394,696
Restricted	-	-	101,827
	-	1,706,304	2,496,523

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The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Operating Revenue And Costs Funded
By Operating Revenue Compared To Budget

For The Fiscal Year Ended May 31, 2025

	2025 Adopted Budget	2025 Modified Budget	2025 Actual	Variance Favorable / (Unfavorable)	2024 Actual
Revenues:					
Unrestricted Net Position Appropriated				-	107,656
Water Charges	1,147,730	1,147,730	1,079,797	(67,933)	826,372
Sewer Charges	2,525,031	2,525,031	2,567,200	42,169	2,231,013
Connection Fees	75,000	75,000	86,577	11,577	174,988
Other	230,000	230,000	261,435	31,435	259,721
Interest on Delinquent Accounts	20,000	20,000	27,370	7,370	24,660
Interest on Investments and Deposits	1,500	1,500	88,835	87,335	43,719
Total Operating Revenues	3,999,261	3,999,261	4,111,214	111,953	3,668,129
Expenses:					
Cost of Providing Services:					
Operating Salaries	754,500	754,500	686,007	68,493	883,391
Overtime Salaries	45,000	45,000	37,176	7,824	39,799
Professional Fees - Other	5,000	5,000	5,274	(274)	3,693
Engineering - Miscellaneous	15,000	15,000	17,716	(2,716)	24,481
Chemicals	110,000	110,000	112,997	(2,997)	119,434
Systems and Equipment - Repairs and Maintenance	250,000	250,000	278,662	(28,662)	154,823
Truck Expenses - Gas, Oil, License	30,000	30,000	17,622	12,378	18,754
Truck Expenses - Repairs	10,000	10,000	10,442	(442)	10,113
Electricity	250,000	250,000	289,883	(39,883)	260,418
Water Consumed in Operations	3,000	3,000	3,139	(139)	1,854
Sludge Removal	220,000	220,000	182,496	37,504	179,828
Uniforms	5,000	5,000	5,212	(212)	4,907
Fees and Permits	45,000	45,000	56,194	(11,194)	46,576
Lab Supplies and Expenses	50,000	50,000	56,661	(6,661)	56,196
Customer Refunds	1,000	1,000	189	811	312
Miscellaneous Supplies and Expenses	25,000	25,000	26,551	(1,551)	30,899
Sub-total Cost of Providing Services	1,818,500	1,818,500	1,786,221	32,279	1,835,478
Administrative, General Expenses and Employee Benefits:					
Administrative Salaries	345,000	345,000	354,300	(9,300)	385,534
Commissioners' Salaries	39,500	39,500	38,761	739	35,510
Administrative Trustees Fees	7,000	7,000	5,556	1,444	5,556
Customer Billing - Postage	9,000	9,000	8,061	939	6,229
IT Programming	6,000	6,000	4,413	1,587	5,816
IT System Maintenance	50,000	50,000	48,004	1,996	43,200
Auditing	27,500	27,500	27,500		26,911
Legal - Retainer	19,500	19,500	19,500		19,000
Legal - Miscellaneous	10,000	10,000	10,458	(458)	5,881
Traffic Control	10,000	10,000	6,831	3,169	6,194
Office Supplies and Postage	10,000	10,000	9,916	84	10,813
Conferences and Seminars	7,000	7,000	7,020	(20)	6,918

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Operating Revenue And Costs Funded
By Operating Revenue Compared To Budget

For The Fiscal Year Ended May 31, 2025

	2025 Adopted Budget	2025 Budget After Modifications	2025 Actual	Variance Favorable / (Unfavorable)	2024 Actual
Administrative, General Expenses and Employee Benefits (continued):					
Special Accounting Services	5,000	5,000	5,000		9,423
Printing and Publications	9,000	9,000	8,172	828	8,894
Telephone and Alarm System	16,000	16,000	17,559	(1,559)	15,551
Insurance	87,000	87,000	80,417	6,583	67,511
Building Repairs and Maintenance	20,000	20,000	21,636	(1,636)	21,490
Heating	4,000	4,000	6,987	(2,987)	3,181
Bank Sweep Fees	2,000	2,000	2,281	(281)	2,663
Employee Benefits:					
Public Employee Retirement System	235,000	235,000	203,923	31,077	209,358
Social Security Tax	91,000	91,000	81,755	9,245	95,928
Unemployment Compensation Insurance	5,000	5,000	4,928	72	4,449
Worker's Compensation Insurance	36,000	36,000	30,055	5,945	30,974
Medical Insurance Premium	308,000	308,000	209,008	98,992	231,431
Retiree Health Benefits	52,000	52,000	72,821	(20,821)	44,358
	1,410,500	1,410,500	1,284,862	125,638	1,302,773
Debt Service:					
Bond Principal	292,703	292,703	292,043	660	286,586
Interest on Bonds	40,058	40,058	38,244	1,814	43,093
	332,761	332,761	330,287	2,474	329,679
Reserves:					
Capital Projects	437,500	437,500	379,652	57,848	
Total Costs Funded by Operating Revenues	3,999,261	3,999,261	3,781,022	218,239	3,467,930
Excess of Actual Revenues Over Expenses			330,192		200,199
Reconciliation of Budgetary Basis to GAAP:					
Undesignated Retained Earnings					(107,656)
Pension Adjustment			118,780		157,194
OPEB Adjustment			60,942		64,033
Depreciation			(862,959)		(847,470)
Amortization			13,482		13,482
Capital Outlay			379,652		
Bond Principal			292,043		286,586
Total Adjustments			1,940		(433,831)
Change in Net Position			332,132		(233,632)

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Capital Financing Sources And Costs Funded
By Financing Sources Compared To Budget

For The Fiscal Year Ended May 31, 2025

	2025 Adopted Budget	2025 Budget After Modifications	2025 Actual	2024 Actual
Financing Sources:				
Unrestricted Net Position	743,500	743,500	300,000	735,290
Other Sources	437,500	437,500	378,232	
Debt Authorization	7,500,000	7,500,000	266,349	27,278
Total Financing Sources	8,681,000	8,681,000	944,581	762,568
Capital Outlays:				
Well Redevelopment & Upgrades	150,000	150,000		59,680
Miscellaneous Water Infrastructure Upgrades	20,000	20,000	41,782	23,169
Miscellaneous Building Upgrades	25,000	25,000	10,671	21,173
Miscellaneous Security Equipment	10,000	10,000		16,763
Chlorine Analyzers	10,000	10,000	10,911	
Miscellaneous Paving & Concrete Repairs	10,000	10,000		
Misc. Computer and Office Equipment	10,000	10,000		22,657
Water Accountability Act Project	15,000	15,000	14,462	9,600
Miscellaneous Laboratory Upgrades	10,000	10,000		8,083
SCADA System Upgrades	40,000	40,000	20,864	
Lab Rehabilitation	250,000	250,000		
2024 Ford Vehicle	38,000	38,000	45,459	
Miscellaneous Treatment Plant Upgrades	25,000	25,000	21,054	25,006
Aeration Basin Upgrades	300,000	300,000	72,628	
Thickener Bldg. Transfer Pump Upgrades	25,000	25,000	36,006	9,122
South Station Grinder Upgrade	23,000	23,000		
Misc. Upgrades to Pumping Stations	50,000	50,000	36,236	
Sewer Inspection Camera	20,000	20,000	7,220	
Generator Transfer Switch Upgrade	50,000	50,000	40,500	
WTP Sludge Thickener Electrical Upgrades	100,000	100,000	20,439	
RBC Replacement			300,000	
Purchase of Property				540,037
North Pump Station Replacement	1,500,000	1,500,000	153,031	10,155
Well #3 Treatment PFAS	6,000,000	6,000,000	113,318	17,123
Total Capital Outlay	8,681,000	8,681,000	944,581	762,568
Excess of Actual Revenues Over Expenses				
Total	8,681,000	8,681,000	944,581	762,568

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The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Bonds and Loans Payable

May 31, 2025 and 2024

	Original Issuance		Interest	Maturities		Balance		Refunded/	Balance
	Date	Amount	Rate	Date	Amount	June 1, 2024	Issued	Retired	May 31, 2025
NJEIT Trust Loan Series 2009A	12/2/2009	735,000	3.750%	08/01/2025	43,000				
			4.000%	08/01/2026	48,000				
			4.000%	08/01/2027	47,000				
			4.000%	08/01/2028	47,000				
			4.000%	08/01/2029	52,000				
						280,000		43,000	237,000
NJEIT Fund Loan Series 2009A	12/2/2009	704,297	0.000%	08/01/2025	25,154				
			0.000%	02/01/2026	12,577				
			0.000%	08/01/2026	25,153				
			0.000%	02/01/2027	12,577				
			0.000%	08/01/2027	25,154				
			0.000%	02/01/2028	12,577				
			0.000%	08/01/2028	25,153				
			0.000%	02/01/2029	12,577				
			0.000%	08/01/2029	25,153				
						213,805		37,730	176,075

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Bonds and Loans Payable

May 31, 2025 and 2024

	Original Issuance		Interest	Maturities		Balance		Redeemed/	Balance
	Date	Amount	Rate	Date	Amount	June 1, 2024	Issued	Retired	May 31, 2025
NJEIT									
Trust Loan									
Direct Loan	2/23/2010	71,914	3.820%	08/01/2025	4,304				
			3.920%	08/01/2026	4,468				
			4.010%	08/01/2027	4,643				
			4.100%	08/01/2028	4,830				
			4.180%	08/01/2029	5,027				
						27,421		4,149	23,272
NJEIT									
Fund Loan									
Direct Loan	2/23/2010	204,192	0.000%	08/01/2025	7,165				
			0.000%	02/01/2026	3,582				
			0.000%	08/01/2026	7,165				
			0.000%	02/01/2027	3,582				
			0.000%	08/01/2027	7,165				
			0.000%	02/01/2028	3,582				
			0.000%	08/01/2028	7,165				
			0.000%	02/01/2029	3,582				
			0.000%	08/01/2029	7,165				
						60,900		10,747	50,153

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Bonds and Loans Payable

May 31, 2025 and 2024

	Original Issuance		Interest	Maturities		Balance		Redeemed/	Balance
	Date	Amount	Rate	Date	Amount	June 1, 2024	Issued	Retired	May 31, 2025
NJEIT Trust Loan Series 2010B	12/2/2010	415,000	5.000%	08/01/2025	23,000				
			5.000%	08/01/2026	23,000				
			5.000%	08/01/2027	27,000				
			5.000%	08/01/2028	27,000				
			5.000%	08/01/2029	27,000				
			5.000%	08/01/2030	32,000				
						182,000		23,000	159,000
NJEIT Fund Loan Series 2010B	12/2/2010	210,430	0.000%	08/01/2025	7,515				
			0.000%	02/01/2026	3,758				
			0.000%	08/01/2026	7,515				
			0.000%	02/01/2027	3,758				
			0.000%	08/01/2027	7,515				
			0.000%	02/01/2028	3,758				
			0.000%	08/01/2028	7,515				
			0.000%	02/01/2029	3,758				
			0.000%	08/01/2029	7,515				
			0.000%	02/01/2030	3,758				
			0.000%	08/01/2030	5,364				
						73,002		11,273	61,729

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Bonds and Loans Payable

May 31, 2025 and 2024

	Original Issuance		Interest	Maturities		Balance		Redeemed/	Balance
	Date	Amount	Rate	Date	Amount	June 1, 2024	Issued	Retired	May 31, 2025
NJEIT Trust Loan Series 2012A	05/3/2012	370,000	5.000%	08/01/2025	19,180				
			5.000%	08/01/2026	23,682				
			3.000%	08/01/2027	23,463				
			3.000%	08/01/2028	23,466				
			3.125%	08/01/2029	23,470				
			3.200%	08/01/2030	23,444				
			3.250%	08/01/2031	23,401				
						179,446		19,340	160,106
NJEIT Fund Loan Series 2012A	05/3/2012	1,144,110	0.000%	08/01/2025	41,353				
			0.000%	02/01/2026	20,676				
			0.000%	08/01/2026	41,353				
			0.000%	02/01/2027	20,676				
			0.000%	08/01/2027	41,353				
			0.000%	02/01/2028	20,676				
			0.000%	08/01/2028	41,353				
			0.000%	02/01/2029	20,676				
			0.000%	08/01/2029	41,353				
			0.000%	02/01/2030	20,676				
			0.000%	08/01/2030	41,352				
			0.000%	02/01/2031	20,676				
			0.000%	08/01/2031	27,589				
						461,791		62,029	399,762

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Bonds and Loans Payable

May 31, 2025 and 2024

	Original Issuance		Interest	Maturities		Balance		Redeemed/	Balance
	Date	Amount	Rate	Date	Amount	June 1, 2024	Issued	Retired	May 31, 2025
NJEIT									
Trust Loan									
Series 2016A-1	05/26/2016	260,000	4.000%	08/01/2025	15,000				
			4.000%	08/01/2026	15,000				
			4.000%	08/01/2027	15,000				
			2.000%	08/01/2028	15,000				
			2.000%	08/01/2029	15,000				
			2.000%	08/01/2030	15,000				
			2.125%	08/01/2031	15,000				
			3.000%	08/01/2032	15,000				
			3.000%	08/01/2033	15,000				
			3.000%	08/01/2034	20,000				
			3.000%	08/01/2035	20,000				
						190,000		15,000	175,000
NJEIT									
Fund Loan									
Series 2016A-1	05/26/2016	799,313	0.000%	08/01/2025	28,046				
			0.000%	02/01/2026	14,023				
			0.000%	08/01/2026	28,046				
			0.000%	02/01/2027	14,023				
			0.000%	08/01/2027	28,046				
			0.000%	02/01/2028	14,023				
			0.000%	08/01/2028	28,046				
			0.000%	02/01/2029	14,023				
			0.000%	08/01/2029	28,046				
			0.000%	02/01/2030	14,023				
			0.000%	08/01/2030	28,046				
			0.000%	02/01/2031	14,023				
			0.000%	08/01/2031	28,046				
			0.000%	02/01/2032	14,023				
			0.000%	08/01/2032	28,046				
			0.000%	02/01/2033	14,023				
			0.000%	08/01/2033	28,046				
			0.000%	02/01/2034	14,023				
			0.000%	08/01/2034	28,047				
			0.000%	02/01/2035	14,023				
			0.000%	08/01/2035	28,047				
						490,807		42,069	448,738

The Pompton Lakes Borough Municipal Utilities Authority
(A Component Unit of the Borough of Pompton Lakes)
Schedule Of Bonds and Loans Payable

May 31, 2025 and 2024

	Original Issuance		Interest	Maturities		Balance		Redeemed/	Balance
	Date	Amount	Rate	Date	Amount	June 1, 2024	Issued	Retired	May 31, 2025
NJDEP 2003 Dam Restoration Loan Program - Project #EC19-038	3/23/2022	526,036	2.000%	06/22/2025	12,031				
				12/22/2025	12,152				
				06/22/2026	12,273				
				12/22/2026	12,396				
				06/22/2027	12,520				
				12/22/2027	12,645				
				06/22/2028	12,771				
				12/22/2028	12,899				
				06/22/2029	13,028				
				12/22/2029	13,158				
				06/22/2030	13,290				
				12/22/2030	13,423				
				06/22/2031	13,557				
				12/22/2031	13,693				
				06/22/2032	13,830				
				12/22/2032	13,968				
				06/22/2033	14,108				
				12/22/2033	14,249				
				06/22/2034	14,391				
				12/22/2034	14,535				
				06/22/2035	14,681				
				12/22/2035	14,827				
				06/22/2036	14,976				
				12/22/2036	15,125				
				06/22/2037	15,277				
				12/22/2037	15,429				
				06/22/2038	15,584				
				12/22/2038	15,739				
				06/22/2039	15,897				
				12/22/2039	16,056				
				06/22/2040	16,216				
				12/22/2040	16,378				
				06/22/2041	16,542				
						491,350		23,706	467,644
Grand Total						2,650,522		292,043	2,358,479
Current Portion						292,043			292,516
Non-Current Portion						2,358,479			2,065,963
						2,650,522			2,358,479

Schedule 6

THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Borough of Pompton Lakes)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
MAY 31, 2025

Federal Grantor/Pass-Through Grantor/Program	Federal AL Number	Grant ID Number	Program Amount	Grant Period		Cash Received			Program Expenditures		
				From	To	Prior Years	Current Year	Total	Prior Years	Current Year	Total
U.S. Department of Environmental Protection:											
Pass Through New Jersey Department of Environmental Protection:											
Capitalization Grants for Clean Water State Revolving Funds:											
NJDEP Loan	66.458	S340636-09	$ 605,000	06/01/24	05/31/25	-	33,573	33,573	17,953	75,806	93,759
Subtotal						-	33,573	33,573	17,953	75,806	93,759
Capitalization Grants for Drinking Water State Revolving Funds:											
NJDEP Loan	66.468	W1609001-007	$ 2,750,000	06/01/24	05/31/25	-	25,410	25,410	18,259	56,660	74,919
Subtotal						-	25,410	25,410	18,259	56,660	74,919
Total Federal Financial Assistance						-	58,983	58,983	36,212	132,466	168,678

Note: This schedule was not subject to an audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Schedule 7

THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Borough of Pompton Lakes)
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
MAY 31, 2025

State Grantor/Pass-Through Grantor/Program	Pass Through Entity ID No.	State Grant ID Number	Program Amount	Grant Period From	Grant Period To	Cash Received Prior Years	Cash Received Current Year	Cash Received Total	Program Expenditures Prior Years	Program Expenditures Current Year	Program Expenditures Total
New Jersey Department of Environmental Protection:											
New Jersey Environmental Infrastructure Trust - Interim Financing Program	n/a	S340636-09	$ 605,000	06/01/24	05/31/25	-	33,572	33,572	17,952	75,805	93,757
	n/a	W1609001-007	$ 2,750,000	06/01/24	05/31/25	-	25,409	25,409	18,259	56,658	74,917
Total State Financial Assistance						-	58,981	58,981	36,211	132,463	168,674

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 15-08.

Schedule 8

THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Borough of Pompton Lakes)

MEMBERS OF THE AUTHORITY

JUNE 1, 2024 TO MAY 31, 2025

Official	Position	Term Expires February 1
Kevin P. Carroll	Chairman	2026
Neal Galletta	Vice-Chairman/Treasurer	2027
Timothy Troast	Assistant Secretary	2030
Michael Longo	Secretary	2029
Lloyd Kent	Assistant Treasurer	2028

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POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED MAY 31, 2025

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WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Chairman and Members of the
Pompton Lakes Borough Municipal Utilities Authority
2000 Lincoln Avenue
Pompton Lakes, New Jersey 07442

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Pompton Lakes Borough Municipal Utilities Authority (A Component Unit of the Borough of Pompton Lakes), as of and for the year ended May 31, 2025, and the related notes to the financial statements, and have issued our report thereon dated October 17, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pompton Lakes Borough Municipal Utilities 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 on the effectiveness of the Pompton Lakes Borough Municipal Utilities Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pompton Lakes Borough Municipal Utilities 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pompton Lakes Borough Municipal Utilities Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Pompton Lakes Borough Municipal Utilities Authority's Response to Findings

Government Auditing Standards requires the auditor the auditor to perform limited purposes on the Pompton Lakes Borough Municipal Utilities Authority's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. Pompton Lakes Borough Municipal Utilities Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

October 17, 2025

W&CO

THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Borough of Pompton Lakes)

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised Per N.J.S. 40A:11-3

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to $44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

N.J.S.A. 40A:11-4 states that every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, be resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

Effective January 1, 2011, P.L., 2009, c.166 eliminated the previous lower non-qualified purchasing agent threshold of $26,000. Thus a contracting unit without a qualified purchasing agent now has a maximum bid threshold of $17,500.

Effective July 1, 2015, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is $17,500 and with a qualified purchasing agent the threshold may be up to $44,000.

GENERAL COMMENTS, (continued)

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Authority has the responsibility of determining whether the expenditures in any category will exceed the statutory threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Authority Counsel's opinion should be sought before a commitment is made.

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 40A:11-4.

THE POMPTON LAKES BOROUGH MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Borough of Pompton Lakes)

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on prior year's recommendations and corrective action was taken on all items.

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

We wish to thank the Pompton Lakes Municipal Utilities Authority for their cooperation during the performance of our audit.

Respectfully submitted,

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

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