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THE LANDIS SEWERAGE AUTHORITY

AUDIT REPORT

YEARS ENDED DECEMBER 31, 2019 AND 2018

LSA

Romano, Hearing, Testa & Knorr
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

THE LANDIS SEWERAGE AUTHORITY

AUDIT REPORT

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Romano, Hearing, Testa & Knorr
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Chairman and Commissioners of
The Landis Sewerage Authority
Vineland, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of The Landis Sewerage Authority as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Auditor's Responsibility (Continued)

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Landis Sewerage Authority as of December 31, 2019 and 2018, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Landis Sewerage Authority's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2020 on our consideration of The Landis Sewerage 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 and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Landis Sewerage Authority's internal control over financial reporting and compliance.

ROMANO, HEARING, TESTA & KNORR

Romano, Hearing, Testa & Knorr

Certified Public Accountants

December 7, 2020

Romano, Hearing, Testa & Knorr
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Chairman and Commissioners of
The Landis Sewerage Authority
Vineland, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of The Landis Sewerage Authority as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise The Landis Sewerage Authority's basic financial statements, and have issued our report thereon dated December 7, 2020.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Landis Sewerage 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.*

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 *Governmental Auditing Standards,* and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering The Landis Sewerage Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

ROMANO, HEARING, TESTA & KNORR

Romano, Hearing, Testa & Knorr

Certified Public Accountants

December 7, 2020

REQUIRED SUPPLEMENTARY INFORMATION
PART I

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of The Landis Sewerage Authority’s (the Authority) annual financial report presents the analysis of the Authority’s overall financial position and results of operation for the year that ended on December 31, 2019. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Authority’s Net Capital Assets total $67.81 million, which is a $6.95 million or 11.42% increase from 2018.

- The Authority’s Total Assets are $88.59 million, which is a $1.97 million or 2.18% decrease from 2018.

- During the year, the Authority’s operating revenues were $10.78 million, which is a $.10 million or .94% decrease from 2018 and operating expenses were $11.62 million, which is a $.46 million or 4.12% increase from 2018.

- The Authority’s Net Position decreased by $.636 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority is a single enterprise fund. The Authority’s Audit Report includes the required Basic Financial Statements, as described below, the Notes to Financial Statements, required supplementary information, which consists of this Management Discussion and Analysis and required Pension Schedules and finally, supplementary information.

REQUIRED FINANCIAL STATEMENTS

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

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

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

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

One of the most important questions asked about the Authority's finances is "Is the Authority, as a whole, better off or worse off as a result of the year's activities?" The 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 the net position of the Authority, and changes in net position. You 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, you will need to also consider other non-financial factors such as changes in economic conditions, customer growth, and legislative mandates.

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

Table 1
Net Position
(Dollars in Thousands)

	2019	2018	2017	2019 – 2018 Increase (Decrease) $	%
Current Assets	$ 20,778	$ 28,553	$ 34,140	$ (7,775)	(27.23)
Noncurrent Assets	67,811	62,004	55,954	5,807	9.37
Total Assets	88,589	90,557	90,094	(1,968)	2.17
Deferred Outflows of Resources	2,007	3,000	2,851	(993)	33.1
Current Liabilities:					
Payable from Unrestricted Assets	1,082	1,049	941	32	3.05
Payable From Restricted Assets	2,169	3,100	1,506	(930)	(30.0)
Long-Term Liabilities	33,329	34,653	36,473	(1,324)	(3.82)
Total Liabilities	36,580	38,802	38,893	(2,222)	(5.7)
Deferred Inflows of Resources	7,661	7,764	6,975	(103)	(1.33)
Investment in Capital Assets	47,203	49,185	49,823	(1,982)	(4.03)
Restricted Net Position:					
Debt Service	1,532	623	606	909	146.30
Operating	1,482	1,548	1,515	(66)	(4.26)
Renewal & Replacement	600	500	500	100	20.0
Unrestricted	(4,462)	(4,865)	(5,366)	403	(8.29)
Total Net Position	$ 46,355	$ 46,991	$ 47,078	$ (636)	(13.54)

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

	2019	2018	2017	2019 – 2018 Increase(Decrease) $	%
Operating Revenues:					
User Charges & Fees	$ 10,107	$ 10,145	$10,284	$ (38)	(.38)
Connection Fees	395	502	249	(107)	(21.24)
Other Operating	275	233	217	42	18.03
Nonoperating Revenues	309	275	151	34	12.36
Total Revenues	11,086	11,155	10,901	(69)	(.62)
Operating Expenses:					
Cost of Providing Services	7,180	6,840	6,538	340	4.97
Administrative and General	2,077	2,072	2,181	5	.24
Depreciation	2,366	2,252	2,171	114	5.06
Non-Operating Expense:					
Interest	55	126	207	(71)	(56.04)
Other	50	50	0		
Total Expenses	11,728	11,340	11,097	388	3.42
Loss Before Capital Contributions	(642)	(185)	(196)	457	247.92
Capital Contributions	6	98	55	92	93.88
Change in Net Position	(636)	(87)	(141)	(549)	(632.32)
Total Net Position-Beginning	46,991	47,078	47,219	(87)	(.18)
Total Ending Net Position	$ 46,355	$ 46,991	$ 47,078	$ (636)	(1.35)

REVENUES

The Authority's total revenues are approximately $11.09 million for the year ended December 31, 2019. User Charges & Fees were $10.1 million accounting for 91% of total revenue. Operating expenses include cost of providing services, which totaled $7.2 million and administrative and general of $2.1 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 2019, the Authority had $67.81 million invested in a broad range of capital assets. More detailed information about capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year was $2.37 million.

The following tables summarize the Authority's capital assets, net of accumulated depreciation, and changes therein, for the year ended December 31, 2019.

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

	2019	2018	2019- 2018 Increase(Decrease) $	2019- 2018 Increase(Decrease) %
Land	$ 2,020	$ 1,998	$ 22	1.10
Treatment Plant and Pumping Stations	23,281	23,263	18	.08
Mains & Accessories	23,143	23,519	(376)	(1.60)
Machinery & Equipment	13,042	3,992	9,050	226.70
Office Furniture & Fixtures	31	24	(7)	(29.17)
Construction in Progress	6,294	8,068	(1,774)	(21.98)
	$ 67,811	$ 60,864	$ 6,947	11.42

This year's additions (in thousands) include:

Land Improvements	$ 22
Treatment Plant and Pumping Stations	1,414
Mains & Accessories	147
Machinery and Equipment	9,486
Construction in Progress	(1,774)
Office Furniture & Fixtures	18

The Authority's FY 2020 capital budget plans for investing another $5,269 million in capital projects, including the following (in thousands):

Collection	$ 1,178
Truck, Vehicles	33
Pump Stations	2,817
Communication/Safety	7
Plant & Process Equipment	1,007
Office Equipment	100
Lab Equipment	12
Farm Equipment	115
TOTAL	$ 5,269

The Authority plans on funding those capital projects using a combination of existing cash and year 2020 revenue and borrowing.

Debt Administration

During 2019, the outstanding balance of the Series 1993 Bonds in the amount of $1,200,000 were paid in full. In August 2016, the Authority issued $25,000,000 in new debt entitled Series 2016 that mature in various amounts through 2046 with an interest rate of 3.95%. More detailed information about long-term liabilities can be found in Note 4 to the financial statements.

NEXT YEAR'S BUDGETS AND RATES

The 2020 adopted budget did not include a rate increase.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Authority's customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Authority's Executive Director at The Landis Sewerage Authority, 1776 South Mill Road, Vineland, NJ.

BASIC FINANCIAL STATEMENTS

THE LANDIS SEWERAGE AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS - UNRESTRICTED:		
Cash and Cash Equivalents	$ 858,472	$ 875,240
Accounts Receivable	1,472,859	1,476,267
Other Receivables	84,072	141,866
Due from Restricted Assets	-	1,268
Prepaid Expenses	87,350	46,033
Inventory	590,295	535,938
Total Current Assets - Unrestricted	3,093,048	3,076,612
CURRENT ASSETS - RESTRICTED:		
Accounts Required by the Authority's Bond Resolution:		
Cash and Cash Equivalents	17,541,778	25,316,726
Interest Receivable	-	29,885
Other Accounts:		
Cash and Cash Equivalents	143,527	129,854
Total Current Assets - Restricted	17,685,305	25,476,465
NONCURRENT ASSETS:		
Accounts Required by the Authority's Bond Resolution:		
Investments	-	1,139,508
Capital Assets, Net	67,811,337	60,864,503
Total Noncurrent Assets	67,811,337	62,004,011
TOTAL ASSETS	88,589,690	90,557,088
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Loss on Defeasance of Debt	-	6,391
Deferred Amount Relating to Pensions	2,006,983	2,994,346
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,006,983	3,000,737

(Continued)

The accompanying Notes to Financial Statements are an integral part of these statements.

THE LANDIS SEWERAGE AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES PAYABLE FROM UNRESTRICTED ASSETS:		
Accounts Payable - Operations	$ 327,962	$ 325,962
Accrued Pension Liability	450,200	461,677
Accrued Liabilities - Other	303,695	261,225
Sewer Rent Overpayments	-	113
Total Current Liabilities Payable From Unrestricted Assets	1,081,857	1,048,977
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:		
Contracts Payable - Construction	1,176,393	1,603,654
Retainage Payable - Construction	193,334	74,848
Due to Unrestricted Assets	-	1,268
Revenue Bonds Payable - Current Portion	530,583	1,200,000
Accrued Interest Payable - Bonds	-	3,344
Escrow - 1989 Sewer Bond	-	1,444
Escrow - Developers	143,527	106,487
Due to Developers	125,755	109,105
Total Current Liabilities Payable From Restricted Assets	2,169,592	3,100,150
LONG-TERM LIABILITIES:		
Accrued Pension Liability - Non-Current Portion	225,100	230,839
Revenue Bonds Payable - Non-Current Portion	24,469,417	24,999,739
Accrued Compensated Absences	294,762	283,510
Net Pension Liability	8,339,545	9,138,838
Total Long-Term Liabilities	33,328,824	34,652,926
TOTAL LIABILITIES	36,580,273	38,802,053
DEFERRED INFLOWS OF RESOURCES:		
Deferred User Charge Revenue	3,182,959	3,154,155
Deferred Connection Fees Revenue	963,453	936,463
Deferred Amount Relating to Pensions	3,514,303	3,673,517
TOTAL DEFERRED INFLOWS OF RESOURCES	7,660,715	7,764,135
NET POSITION (DEFICIT):		
Net Investment in Capital Assets	47,203,026	49,185,007
Restricted:		
Debt Service	1,531,798	622,679
Operating	1,482,000	1,548,000
Renewal and Replacement	600,000	500,000
Unrestricted	(4,461,139)	(4,864,049)
TOTAL NET POSITION	$ 46,355,685	$ 46,991,637

The accompanying Notes to Financial Statements are an integral part of these statements.

THE LANDIS SEWERAGE AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
OPERATING REVENUE:		
User Charges and Fees	$ 10,106,589	$ 10,144,945
Connection Fees	395,003	501,520
Other	275,564	232,958
Total Operating Revenue	10,777,156	10,879,423
OPERATING EXPENSES:		
Cost of Providing Services	7,179,575	6,839,466
Administrative and General	2,077,052	2,072,089
Depreciation	2,366,448	2,251,760
Total Operating Expenses	11,623,075	11,163,315
OPERATING LOSS	(845,919)	(283,892)
NON-OPERATING REVENUE (EXPENSES):		
Miscellaneous Income	86,367	61,043
Interest Income	222,325	243,140
Interest Expense	(55,302)	(125,802)
Appropriation to City of Vineland	(50,000)	(50,000)
Decrease in Fair Value of Investments	492	(29,026)
Total Non-Operating Revenue (Expenses)	203,882	99,355
LOSS BEFORE CAPITAL CONTRIBUTIONS	(642,037)	(184,537)
CAPITAL CONTRIBUTIONS	6,085	97,696
CHANGE IN NET POSITION	(635,952)	(86,841)
TOTAL NET POSITION- BEGINNING	46,991,637	47,078,478
TOTAL NET POSITION- ENDING	$ 46,355,685	$ 46,991,637

The accompanying Notes to Financial Statements are an integral part of these statements.

THE LANDIS SEWERAGE AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers and Users	$ 10,560,681	$ 10,393,961
Cash Payments to Suppliers for Goods and Services	(2,878,463)	(3,078,356)
Cash Payments for Employee Services	(6,406,476)	(5,640,824)
Other Operating Receipts (Payments)	350,008	126,331
Net Cash Provided by Operating Activities	1,625,750	1,801,112
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Other Non-Operating Revenue and Expenses	36,367	11,043
Net Cash Provided by Non-Capital Financing Activities	36,367	11,043
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(9,622,057)	(7,606,797)
Principal Paid on Bonds	(1,200,000)	(1,200,000)
Interest Paid on Bonds	(51,994)	(110,506)
Increase (Decrease) in Escrow Accounts	35,596	7,732
Capital Contributions	6,085	52,296
Net Cash Used In Capital and Related Financing Activities	(10,832,370)	(8,857,275)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale and Maturities of Investments	1,140,000	894,999
Interest Received on Investments	252,210	250,535
Net Cash Provided by Investing Activities	1,392,210	1,145,534
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,778,043)	(5,899,586)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	26,321,820	32,221,406
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 18,543,777	$ 26,321,820

(Continued)

The accompanying Notes to Financial Statements are an integral part of these statements.

THE LANDIS SEWERAGE AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	$ (845,919)	$ (283,892)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	2,366,448	2,251,760
Increase (Decrease) in Cash Resulting From Changes in:		
Accounts Receivable	3,408	(141,022)
Grant and Other Receivables	57,794	(117,727)
Prepaid Expenses	(41,317)	16,577
Inventories	(54,357)	(77,572)
Deferred Outflows - Amount Related to Pensions	987,363	(161,753)
Accounts Payable - Operations	2,000	50,098
Accrued Pension Liability - Current	(11,477)	72,587
Accrued Liabilities - Other	42,470	12,375
Due to Developers	16,650	11,100
Deferred User Charge Revenue	28,804	(101,635)
Deferred Connection Fees	26,990	(9,847)
Net Pension Liability	(799,293)	(638,213)
Accrued Pension Liability - Non-Current	(5,739)	36,294
Accrued Compensated Absences	11,252	(19,029)
Sewer Rent Overpayments	(113)	
Deferred Inflows - Amount Related to Pensions	(159,214)	901,011
Total Adjustments	2,471,669	2,085,004
Net Cash Provided by Operating Activities	$ 1,625,750	$ 1,801,112
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:		
Cash and Cash Equivalents - Unrestricted	$ 858,472	$ 875,240
Cash and Cash Equivalents - Restricted Accounts Required by Authority's Bond Resolutions	17,541,778	25,316,726
Cash and Cash Equivalents - Other Restricted Accounts	143,527	129,854
	$ 18,543,777	$ 26,321,820

The accompanying Notes to Financial Statements are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Landis Sewerage Authority, a public body corporate and politic organized and existing under the laws of the State of New Jersey, owns and operates certain sewerage collection, transmission, treatment and disposal facilities and is presently responsible for providing sanitary sewerage service to the City of Vineland and to neighboring areas. The Authority bills and collects its revenue from the users of the system.

The Authority was established on July 15, 1946, by an ordinance of the Township Committee of the former Landis Township, now part of the City of Vineland pursuant to the Act. The Authority has been in continuous existence since it was established.

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

Financial Reporting Entity

The commissioners of the Authority are appointed by the City Council of the City of Vineland and therefore, the Authority is a related organization of the City as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No.61, but not a component unit of the City. The Authority does not have any component units for which it is accountable.

Basis of Presentation

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The principal operating revenues of the Authority are user charges and fees for sewerage treatment. The Authority also recognizes income from the sale of crops raised in its farm operations, lab testing fees, connection fees and receiving station income as operating revenue. Operating expenses include cost of providing services, administrative and general expenses, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Budgets and Budgetary Accounting

The Authority must adopt an annual budget in accordance with N.J.A.C. 5:31-2. The budget must be introduced by the governing body at least 60 days prior to end of the current fiscal year, and adopted no later than the beginning of the Authority's fiscal year. The budget is adopted on the accrual basis of accounting with provision for cash payments for bond principal. Depreciation and amortization expense are not included as budget appropriations. The Authority may make budget transfers and amendments at any time, which must be approved by resolution of the Authority and by the State of New Jersey Division of Local Government Services if the legal level line items are affected. Detailed line item transfers not affecting the legal level line items may be made by management at any time. There are no statutory provisions that budgetary line items not be over-expended.

Cash, Cash Equivalents and Investments

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

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to adopt a cash management plan and to deposit and/or invest its funds pursuant to that plan. The governing body of the Authority has adopted a cash management plan ("the plan") and, as required, approves the plan annually. The plan includes the designation of the public depositories to be utilized by the Authority to deposit public funds.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

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

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

Accounts Receivable

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

Inventory

Inventory consists principally of chemicals and supplies used in the treatment process and are stated at cost determined on a first-in, first-out basis. Inventory consists principally of chemicals, fuels, materials and supplies used in the treatment process and farm operation and are stated at cost determined on a first-in, first-out basis.

Capital Assets

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

Capital assets are defined by the Authority as assets with an initial, individual cost of $1,000 or more and an estimated useful life in excess of one year.

System construction costs are charged to construction in progress until such time as given segments of the system are completed and put into operation. Construction in progress is stated at cost, which includes interest expense incurred during construction.

The Authority reduces the capitalized project costs by the amount of interest earned from the investment of project funds and amortization of the premium received in connection with the issuance of debt; which has the effect of reducing the cost of borrowing.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Plant and equipment is depreciated using the straight line method over the following estimated useful lives:

Treatment plant and pumping stations	40 years
Sewer mains, improvements and accessories	75 years
Machinery and equipment	5 - 15 years
Office furniture	5 - 10 years
Vehicles	5 years

Deferred Outflows and Deferred Inflows of Resources

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

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

The Authority reports the following as deferred outflows of resources:

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

Deferred Amount on Refunding – The deferred amount on refunding is recorded as a deferred outflow of resources. It is amortized over the shorter of the remaining life of the old debt or new debt based upon the interest method as a component of interest expense.

The Authority reports the following as deferred inflows of resources:

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

The Authority also reports deferred user charge and deferred connection fee revenues as deferred inflows of resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bond/Loan Premiums, Discounts

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

Pensions

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

Grants

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

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

Use of Estimates

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

Adoption of Accounting Pronouncements

Becoming effective immediately upon issuance, in May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objectives of this Statement are to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Statement 95 postponed the implementation of GASB Statements 83, 84, 88 and 90 by one year, which would have been implemented in the current year, although no impact on the financial statements was expected. Statement 95 also delayed the implementation of Statements 89, 91, 92 and 93 by one year, which originally had future implementation years. Management is currently evaluating the impact of those Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements Not Yet Effective (Continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB 89). The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were originally scheduled to be effective for reporting periods beginning after December 15, 2019 but has been postponed one year by GASB 95 as a result of the COVID-19 pandemic. Management is currently evaluating the impact of the adoption of this Statement and has not yet determined the impact of this Statement on the financial statements.

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61) (GASB 90). The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement were originally scheduled to be effective for reporting periods beginning after December 15, 2018 but has been postponed one year by GASB 95 as a result of the COVID-19 pandemic. Management is currently evaluating the impact of the adoption of this Statement and has not yet determined the impact of this Statement on the financial statements.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations (GASB 91). The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement also requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. The requirements of this Statement were originally scheduled to be effective for reporting periods beginning after December 15, 2020 but has been postponed one year by GASB 95 as a result of the COVID-19 pandemic. Management is currently evaluating the impact of the adoption of this Statement and has not yet determined the impact of this Statement on the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements Not Yet Effective (Continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB 89). The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were originally scheduled to be effective for reporting periods beginning after December 15, 2019 but has been postponed one year by GASB 95 as a result of the COVID-19 pandemic. Management is currently evaluating the impact of the adoption of this Statement and has not yet determined the impact of this Statement on the financial statements.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements Not Yet Effective (Continued)

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports.
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan.
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits.
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition.
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature.
- Terminology used to refer to derivative instruments.

The requirements of Statement 92 related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments became effective upon issuance and had no had no impact on the Authority's financial statements. However, the remaining requirements of this Statement were originally scheduled to be effective for reporting periods beginning after June 15, 2020 but has been postponed one year by GASB 95 as a result of the COVID-19 pandemic. Management is currently evaluating the impact of the adoption of this Statement on the Authority's financial statements although no impact is expected.

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The primary objectives of this Statement are to address implementation issues related to GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended. GASB 53 requires any government entity must eliminate hedge accounting when it renegotiates or changes critical terms of a hedge agreement, such as no longer relying on the London Interbank Offered Rate (LIBOR) when it ceases to exist in its current form at the end of 2021. The requirements of this Statement were originally scheduled to be effective for reporting periods beginning after December 31, 2021 but has been postponed one year by GASB 95 as a result of the COVID-19 pandemic. The Authority has no derivative instruments as they are prohibited by the State of New Jersey statutory requirements. As a result, management does not expect any impact of the adoption of this Statement on the Authority's financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements Not Yet Effective (Continued)

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement and has not yet determined the impact of this Statement on the financial statements.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objectives of this Statement are to guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange like transaction. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement and has not yet determined the impact of this Statement on the financial statements.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is currently evaluating the impact of the adoption of this Statement and has not yet determined the impact of this Statement on the financial statements.

Subsequent Events

Management has evaluated subsequent events through December 7, 2020, the date the financial statements were available for issue.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

In accordance with the Series 2016 General Bond Resolution, the Authority has established the following cash and investment accounts for the deposit, in the priority of the order listed, of all revenue received by the Authority:

Revenue - All revenue received by the Authority and transfers to the various accounts described below.

Operating - Amount to be required to pay reasonable and necessary operating expenses for a two month period.

Bond Service (Current Debt Service) - An amount equal to the Bond Service Requirement as detailed in the resolution.

Sinking – Amount equal to all prior Sinking Fund installments then due and unpaid plus an accrual based upon a computation detailed in the resolution.

Bond Reserve (Future Debt Service) - An amount equal to the maximum annual debt service for any one year the Bonds are outstanding. Transfers to meet minimum levels in the Bond Service Fund; any excess is to be withdrawn by the trustee and credited to the Revenue Fund.

Renewal and Replacement - An amount which is reasonably necessary as a reserve for expenses for improvements, constructions, reconstructions, betterments, major repairs, renewals, replacements, or maintenance items of a type not recurring annually or at shorter intervals and for costs of equipment. Transfers to the Bond Reserve Fund if necessary to meet the minimum requirements, or payment, if any, of the necessary costs and expenses of items detailed above.

Construction – Any money received by the Authority from any source for payment of costs related to the construction or acquisition of any part of the system.

Rebate – Amounts subject to rebate to the United States Government pursuant to the provisions of the Internal Revenue Code.

General – Any amounts in excess of minimum requirements in the above accounts. Transfers into the above funds if needed to meet the required balances in those accounts. When certain requirements are met, the Trustee may pay to the Authority any amount in excess of the required amount, which will be free and clear of any lien or pledge created by the resolution.

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

Engineer Developer Custodian & Developer Escrow - The account is for deposits by developers for costs to be incurred by the Authority on their behalf.

1989 Bond Escrow Surplus - The account is for transfers from the escrow of amounts deemed to be in excess of the amounts needed to refund the defeased bonds of the Authority.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

COMPLIANCE WITH GENERAL BOND RESOLUTION

Section 610 of the Authority's Series 2016 Bond Resolution requires that the Authority make, impose, charge and collect Service Charges in accordance with the Act. Such Service Charges shall be so fixed, charged and collected so that the Revenues for each Fiscal Year will be at least sufficient to pay (1) all Operating Expenses in the Fiscal Year, (2) One Hundred Ten Percent (110%) of the principal and interest on all Bonds as the same shall become due and payable, without recourse to or withdrawal from the Bond Reserve Fund, and (3) all other amounts that are required to be paid pursuant to the Resolution.

Revenues for the year 2019, as defined in the Authority's Bond Resolution, were greater than the amount necessary to meet those provisions and therefore the Authority met the rate covenant contained in Section 610 of the Authority's Bond Resolution, which is calculated as follows:

Revenues (Cash Collections)		$ 11,386,426
Operating and Maintenance Expenses (Budgetary Basis)		9,557,928
110% of Bond Service:		
Bond Service	$1,251,994	
X 110%	X110%	1,377,193
Total Expenses and 110% of Bond Service		10,935,121
Excess of Revenues over Expenses and 110% of Bond Service		$ 451,305

AMOUNTS REQUIRED BY BOND RESOLUTION

The following cash and investment accounts are required by the General Bond Resolution:

	Operating Fund	Bond Service Fund	Sinking Fund	Bond Reserve Fund
Cash and Investments	$ 562	$ 31	$ 3,443	$ 1,900,281
Required Amount	1,481,167	-	-	1,531,798
Excess	$ (1,480,605) *	$ 31	$ 3,443	$ 368,483

* Result of timing differences. Amount added to the fund in January 2020.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

ARBITRAGE RULES

The Authority is subject to certain arbitrage rules added to the Internal Revenue Code in 1969 and amended by TEFRA in 1992 and by the 1986 TRA. Under these rules, interest earnings on certain investments of proceeds of the Authority's bonds are subject to the limitations imposed by the arbitrage provisions of the Internal Revenue Code. The Authority is required to rebate certain arbitrage profits on non-purpose investments at least once every five years. At December 31, 2019 and 2018 there were no material arbitrage profits subject to rebate.

NOTE 3 DETAIL NOTES - ASSETS

CASH AND CASH EQUIVALENTS

At December 31, 2019 and 2018, the carrying amount of the Authority's time and demand deposits were $1,909,976 and $2,120,764, respectively, and the bank balance of the Authority's time and demand deposits were $4,757,515 and $2,350,964, respectively. All of the time and demand deposits were covered by either federal deposit insurance or by the Governmental Unit Deposit Protection Act (GUDPA).

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. Although the Authority does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Under the Act, the first $250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). The Authority's public funds in excess of the FDIC insured amounts are protected by GUDPA. As of December 31, 2019, $250,000 of the Authority's bank balance of $4,757,515 was insured and $4,507,515 was uninsured and collateralized. As of December 31, 2018, $250,000 of the Authority's bank balance of $2,350,964 was insured, $1,492,481 was uninsured and collateralized and $608,483 was uninsured and uncollateralized.

In addition to the bank deposits described above, the Authority also had $5,635,478 at December 31, 2019 and $13,819,228 at December 31, 2018 that was invested in a government money market fund which is not covered by federal deposit insurance or by GUDPA, but which invests exclusively in general obligations issued by the U.S. Government and backed by its full faith and credit and which carries a credit rating of AAA.

At December 31, 2019 and 2018, the Authority had $10,998,322 and $10,381,828, respectively, invested in the New Jersey Cash Management Fund ("the Fund") which is not covered by either federal deposit insurance or by GUDPA. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above.

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

INVESTMENTS

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name.

The Authority held no investments at December 31, 2019. All of the Authority's $1,139,508 investments in U.S. Treasury obligations and agencies and other governmental agencies at December 31, 2018 are held in the name of the counterparty, as trustee for the Authority, not in the name of the Authority.

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

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

Concentration of Credit Risk – The Authority does not place a limit on the amount that may be invested in any one issuer. All of the Authority's investments are government bonds held in various NJ State Agencies, NJ Municipalities, and County Authorities.

As of December 31, 2019, the Authority held no investments.

As of December 31, 2018, the Authority had the following investments and maturities:

Quality/Rating	Total Fair Value
Baa1	$ 890,000
Baa2	249,508
Total Investments	$ 1,139,508

	Investment Maturities (in Years)			
Total Investments	Total Fair Value	Less than 1	1-5	6-10
12/31/18	$ 1,139,508	$ 1,139,508	$ -	$ -

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at December 31, 2019 and 2018:

	2019	2018
Accounts Receivable	$ 1,301,206	$ 1,309,179
Municipal Liens Receivable	21,900	21,900
Interest Receivable on Delinquent Charges	149,753	145,146
Due from Bank		42
	$ 1,472,859	$ 1,476,267

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance Jan. 1, 2019	Additions	Reductions	Balance Dec. 31, 2019
Non-Depreciable Capital Assets:				
Land	$ 1,998,238	$ 22,169		$ 2,020,407
Construction In Progress	8,068,455		1,773,593	6,294,862
Total Non-Depreciable Capital Assets	10,066,693	22,169	1,773,593	8,315,269
Depreciable Capital Assets:				
Treatment Plant and Pumping Stations	60,420,089	1,413,686		61,833,775
Mains and Accessories	35,945,889	146,868		36,092,757
Machinery And Equipment	15,257,092	9,485,669		24,742,761
Office Furniture and Fixtures	495,423	18,482		513,905
Total Depreciable Capital Assets	112,118,493	11,064,705	-	123,183,198
Less Accumulated Depreciation:				
Treatment Plant and Pumping Stations	37,156,616	1,395,524		38,552,140
Mains and Accessories	12,427,103	523,364		12,950,467
Machinery and Equipment	11,265,087	436,342		11,701,429
Office Furniture and Fixtures	471,877	11,217		483,094
Total Accumulated Depreciation	61,320,683	2,366,447	-	63,687,130
Depreciable Capital Assets, Net	50,797,810	8,698,258	-	59,496,068
Total Capital Assets, Net	$60,864,503	$ 8,720,427	$1,773,593	$ 67,811,337

NOTE 3 DETAIL NOTES - ASSETS

CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance Jan. 1, 2018	Additions	Reductions	Balance Dec. 31, 2018
Non-Depreciable Capital Assets:				
Land	$ 1,992,515	$ 5,723		$ 1,998,238
Construction In Progress	1,807,775	6,260,680		8,068,455
Total Non-Depreciable Capital Assets	3,800,290	6,266,403	-	10,066,693
Depreciable Capital Assets:				
Treatment Plant and Pumping Stations	59,423,434	996,655		60,420,089
Mains and Accessories	34,423,050	1,522,839		35,945,889
Machinery And Equipment	14,823,504	433,588		15,257,092
Office Furniture and Fixtures	489,580	5,843		495,423
Total Depreciable Capital Assets	109,159,568	2,958,925	-	112,118,493
Less Accumulated Depreciation:				
Treatment Plant and Pumping Stations	35,788,957	1,367,659		37,156,616
Mains and Accessories	11,923,465	503,638		12,427,103
Machinery and Equipment	10,895,337	369,750		11,265,087
Office Furniture and Fixtures	461,164	10,713		471,877
Total Accumulated Depreciation	59,068,923	2,251,760	-	61,320,683
Depreciable Capital Assets, Net	50,090,645	707,165	-	50,797,810
Total Capital Assets, Net	$ 53,890,935	$ 6,973,568	$ -	$ 60,864,503

NOTE 4 DETAIL NOTES - LIABILITIES

LONG-TERM LIABILITIES

Bonds Payable

In April 1993, the Authority issued its Sewer Revenue Bonds (Refunding Series 1993), in the principal amount of $22,940,000. The proceeds derived from the issuance and sale of the Bonds were used to (a) advance refund the Authority's Sewer Revenue Bonds (Series 1976) then outstanding in the aggregate principal amount of $5,200,000 and the Authority's second lien Sewer Revenue Bonds (Series 1989), then outstanding in the aggregate principal amount of $15,855,000, (b) make a deposit into the Bond Reserve Fund established under the Resolution and (c) pay the premium for the municipal bond insurance policy and the costs and expenses incidental to the authorization, issuance and delivery of

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

the Bonds. The Term Bonds were paid off on September 19, 2019. The outstanding balance of the Series 1993 Bonds at December 31, 2018 consisted of $600,000 of Short-Term Auction Rate Securities – Series 1993B, and $600,000 of Complimentary Auction Rate Securities – Series 1993C respectively, which are term bonds with a maturity date of September 19, 2019, bearing interest at a combined or linked coupon rate of 5.65% per annum.

In August 2016, the Authority issued its Sewer System Revenue Bonds, Series 2016, in the principal amount of $25,000,000. The proceeds derived from the issuance and sale of the Bonds are being used to fund certain capital improvements to the Authority's wastewater treatment plant, pumping stations, and collection system, acquisition of equipment, related soft costs and capitalized interest. The outstanding balance of the Series 2016 Bonds at December 31, 2019 and 2018 in the amount of $25,000,000 consists of serial maturities ranging from $530,583 on December 31, 2020 to $1,472,814 on December 31, 2046 at an interest rate of 3.95% per annum. The Series 2016 Bonds are not subject to prepayment for the first ten years. From year eleven (11) to year thirty (30), the prepayment penalty ranges from 10% of the outstanding principal in year eleven (11) to 1% of the outstanding principal balance in year thirty (30).

Net Pension Liability

For details on the net pension liability, refer to Note 5. The Authority's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

Compensated Absences

Current policy allows employees who retire from the Authority via PERS to be reimbursed for fifty (50%) of accrued sick leave up to a maximum of $10,000, calculated at the then current rate. Employees may carry vacation time into the subsequent year; however the time must be used within the first 90 days of the subsequent year.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in long-term liabilities for the year ended December 31, 2019:

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Amounts Due Within One Year
Type of Debt:					
Revenue Bonds Payable:					
Series 1993	$ 1,200,000	$ -	$1,200,000	$ -	
Series 2016	25,000,000			25,000,000	530,583
	26,200,000		1,200,000	25,000,000	530,583
Less:					
Unamortized Original Issue Discount	(261)		(261)	-	
Net Bonds Payable	26,199,739	-	1,199,739	25,000,000	530,583
Accrued Pension Liability	230,839		5,739	225,100	
Net Pension Liability	9,138,838		799,293	8,339,545	
Compensated Absences	283,510	11,252		294,762	
	$ 35,852,926	$11,252	$2,004,771	$ 33,859,407	$ 530,583

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in long-term liabilities for the year ended December 31, 2018:

	Balance January 1, 2018	Additions	Reductions	Balance December 31, 2018	Amounts Due Within One Year
Type of Debt:					
Revenue Bonds Payable:					
Series 1993	$ 2,400,000	$ -	$1,200,000	$ 1,200,000	$1,200,000
Series 2016	25,000,000		-	25,000,000	
	27,400,000		1,200,000	26,200,000	1,200,000
Less:					
Unamortized Original Issue Discount	(768)		(507)	(261)	
Net Bonds Payable	27,399,232	-	1,199,493	26,199,739	1,200,000
Accrued Pension Liability	194,545	36,294		230,839	
Net Pension Liability	9,777,051		638,213	9,138,838	
Compensated Absences	302,539		19,029	283,510	
	$ 37,673,367	$36,294	$1,856,735	$ 35,852,926	$1,200,000

The annual debt service requirements to maturity, including principal and interest (net of capitalized interest), for revenue bonds payable as of December 31, 2019 are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$ 530,583	$ 1,001,216	$ 1,531,799
2021	551,832	979,966	1,531,798
2022	573,932	957,866	1,531,798
2023	596,917	934,880	1,531,797
2024	620,823	910,976	1,531,799
2025 - 2029	3,497,585	4,161,408	7,658,993
2030 - 2034	4,256,342	3,402,650	7,658,992
2035 - 2039	5,179,701	2,479,290	7,658,991
2040 - 2044	6,303,370	1,355,622	7,658,992
2045 - 2046	2,888,915	174,682	3,063,597
	$ 25,000,000	$ 16,358,556	$ 41,358,556

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

COMMITMENTS AND CONTINGENCIES

As of December 31, 2019 the Authority has entered into various commitments for construction projects in the amount of $13,210,006. Costs incurred on those contracts to December 31, 2019 totaled $10,257,133.

NOTE 5 DETAIL NOTES – RETIREMENT SYSTEM

PENSIONS

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

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

Plan Descriptions

Defined Contribution Retirement Program (DCRP) – DCRP is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

NOTE 5 DETAIL NOTES – RETIREMENT SYSTEM

PENSIONS (CONTINUED)

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

Vesting and Benefit Provisions

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

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

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

Contributions

Defined Contribution Retirement Program – The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. If applicable, in addition to the employee contributions, Authorities contribute 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The Authority had no employees participating in the DCRP for the years ended December 31, 2019, 2018 and 2017.

Public Employees' Retirement System – The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, 2018 and 2017, the State's pension contribution was less than the actuarial determined amount.

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

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

Contributions (Continued)

Covered Authority employees are required to contribute a percentage of their salary toward their pension benefits. P.L. 2011, c78, effective June 28, 2011, increased the active member contribution rate from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.50% in State fiscal year 2019 and 7.34% in State fiscal year 2018. Employee contributions were $265,172, $237,277 and $220,688 for the years ended December 31, 2019, 2018, and 2017, respectively. The payroll subject to pension for the Authority's employees covered by PERS was $3,384,006, $3,237,854 and $3,050,187 for the years ended December 31, 2019, 2018 and 2017, respectively.

The Authority is required by statute to contribute to the employee's pension benefits based on an annual actuarial calculation. The valuation is a determination of the financial condition of the retirement system. The Authority's required annual contributions to the PERS were $450,200, $461,677 and $389,090 for the years ended December 31, 2019, 2018, and 2017, respectively, and is included in the accompanying financial statements. The percentage of employer's contribution rate as a percentage of covered payroll for 2019, 2018 and 2017 was 13.30%, 14.26% and 12.76%, respectively.

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

At December 31, 2019 and 2018, the Authority reported a liability of $8,339,545 and $9,138,838, respectively for its proportionate share of the net pension liability. The net pension liability at December 31, 2019 and 2018 were measured as of June 30, 2019 and 2018, respectively. The total pension liability used to calculate the net pension liability on June 30, 2019 and 2018 was determined by an actuarial valuation as of July 1, 2018 and 2017, respectively. The Authority's proportion share of the net pension liability was as follows:

June 30, 2019		June 30, 2018	
	Allocation		Allocation
June 30, 2019	0.0462832820%	June 30, 2018	0.0464147700%
June 30, 2018	0.0464147700%	June 30, 2017	0.0420005241%
Change	-0.0001314880%	Change	0.0044142459%

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED) PENSIONS (CONTINUED)

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

At December 31, 2019 and 2018, respectively, the Authority reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Measurement Date June 30, 2019		Measurement Date June 30, 2018	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience	$ 149,684	$ 36,840	$ 174,279	$ 47,123
Changes of Assumptions	832,734	2,894,630	1,505,929	2,922,114
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	131,643	-	85,723
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	799,465	451,190	1,083,299	618,557
Authority Contributions Subsequent to the Measurement Date	225,100	-	230,839	-
	$ 2,006,983	$ 3,514,303	$ 2,994,346	$ 3,673,517

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED) PENSIONS (CONTINUED)

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

Deferred outflows of resources related to pensions in the amount of $225,100 and $230,839 will be included as a reduction of the net pension liability in the year ending December 31, 2020 and 2019, respectively. This amount is based on an estimated April 1, 2020 and April 1, 2019 contractually required contribution. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending Dec 31,		
2019	$	(337,217)
2020		(337,217)
2021		(337,217)
2022		(337,217)
2023		(337,217)
2024		(46,337)
	$	(1,732,420)

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED) PENSIONS (CONTINUED)

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

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00

Actuarial Assumptions

The total pension liability for the June 30, 2019 and 2018 measurement dates were determined by actuarial valuations as of July 1, 2018 and 2017, respectively, which were rolled forward to June 30, 2019 and 2018, respectively.

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

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

	June 30, 2019	June 30, 2018
Inflation Rate		2.25%
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through 2026	2.00% - 6.00% Based on Years of Service	1.65% - 4.15% Based on Age
Thereafter	3.00% - 7.00% Based on Years of Service	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2011 - June 30, 2014

For the June 30, 2019 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

For the June 30, 2018 measurement date, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019 and 7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in PERS's target asset allocation as of June 30, 2019 and 2018 are summarized in the table:

	June 30, 2019		June 30, 2018	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Absolute Return/Risk Mitigation	3.00%	4.67%	5.00%	5.51%
Buyouts/Venture Capital			8.25%	13.08%
Cash	5.00%	2.00%	5.50%	1.00%
Private Credit	6.00%	7.92%		
Real Assets	2.50%	9.31%		
Private Equity	12.00%	10.85%		
Credit Oriented Hedge Funds			1.00%	6.60%
Debt Related Private Equity			2.00%	10.63%
Debt Related Real Estate			1.00%	6.61%
Emerging Market Equities	6.50%	11.37%	6.50%	11.64%
Equity Related Real Estate			6.25%	9.23%
Global Diversified Credit			5.00%	7.10%
Investment Grade Credit	10.00%	4.25%	10.00%	3.78%
Non-U.S. Developed Markets Equi	12.50%	9.00%	11.50%	9.00%
Private Real Estate	7.50%	8.33%	2.50%	11.83%
Public High Yield Bonds	2.00%	5.37%	2.50%	6.82%
U.S. Equity	28.00%	8.26%	30.00%	8.19%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
	100.00%		100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 6.28% and 5.66% as of June 30, 2019 and 2018, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.00%, and a municipal bond rate of 3.50% and 3.87% as of June 30, 2019 and 2018, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year.

NOTE 5 DETAILED NOTES – RETIREMENT SYSTEM (CONTINUED)

PENSIONS (CONTINUED)

The State employer contributed 70% and 50% of the actuarial determined contributions as of June 30, 2019 and 2018, respectively. The local employers contributed 100% of their actuarially required contributions for both June 30, 2019 and 2018. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return of plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Authority's proportionate share of the net pension liability at June 30, 2019 and 2018, respectively, calculated using the discount rate as disclosed above, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	June 30, 2019		
	1% Decrease 5.28%	Current Discount Rate 6.28%	1% Increase 7.28%
Authority's Proportionate Share of the Net Pension Liability	$ 10,534,200	$ 8,339,545	$ 6,490,237

	June 30, 2018		
	1% Decrease 4.66%	Current Discount Rate 5.66%	1% Increase 6.66%
Authority's Proportionate Share of the Net Pension Liability	$ 11,491,034	$ 9,138,837	$ 7,165,494

NOTE 6 DETAILED NOTES – NET POSITION

RESTRICTED NET POSITION

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

	2019	2018
Debt Service	$ 1,531,798	$ 622,679
Operating	1,482,000	1,548,000
Renewal and Replacement	600,000	500,000

UNRESTRICTED NET POSITION

Designated:

The Authority has, by resolution, designated a portion of its Unrestricted Net Position for the following purposes:

Subsequent Year's Expenditures – The amount so designated as of December 31, 2019 and 2018 is $-0- and $50,000, respectively.

Undesignated:

The balance of unrestricted and undesignated net position (deficit) as of December 31, 2019 and 2018 of $(4,461,139) and $(4,914,049), respectively, is comprised of the following:

	2019	2018
Amount Related to Pensions (GASB 68 and 71)	$ (10,522,165)	$ (10,510,524)
Undesignated before GASB 68 and 71 Pension Related Items	6,061,026	5,596,475
	$ (4,461,139)	$ (4,914,049)

NOTE 7 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority purchases commercial insurance for risk of loss. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 LEASE AGREEMENT WITH RELATED ENTITY

On April 3, 2009, the Authority entered into a lease agreement with the City of Vineland ("City") to lease 15.87 acres of land owned by the Authority to the City, who then sublet the land to Conectiv Vineland Solar, LLC, for the purpose of constructing and operating a solar photovoltaic electric generating facility. The term of the lease shall end on the date the City's Power Purchase and Sale Agreement with Conectiv Vineland Solar, LLC ends, or such date the City and the Authority may agree upon. The maximum term shall not exceed thirty (30) years without written approval of the Authority. The Authority will receive a percentage of the City's savings from the solar energy delivered both on a monthly and annual basis during the term of the agreement. As described in Note 1, the Authority is a related organization to the City of Vineland, but not a Component Unit of the City.

NOTE 9 SUBSEQUENT EVENTS

The management of the Authority has evaluated its financial statements for subsequent events through the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the Authority. While the impact that COVID-19 will have is currently expected to be temporary, and Management does not currently expect the impact to be material in nature, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

THE LANDIS SEWERAGE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION - PART II
SCHEDULES OF PROPORTIONATE SHARE, EMPLOYER CONTRIBUTIONS AND NOTES
STATE OF NEW JERSEY PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST SEVEN PLAN YEARS

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

	2019	2018	2017	2016	2015	2014	2013
Authority's Proportion of the Net Pension Liability	0.0462832820%	0.0464147700%	0.0420005241%	0.0461319889%	0.0433908573%	0.0441950963%	0.0438836049%
Authority's Proportionate Share of the Net Pension Liability	$ 8,339,545	$ 9,138,837	$ 9,777,051	$ 13,662,972	$ 9,740,378	$ 8,274,531	$ 8,387,029
Authority's Covered-Employee Payroll	$ 3,289,000	$ 3,259,500	$ 2,991,632	$ 3,164,092	$ 2,863,016	$ 3,056,348	$ 3,014,168
Authority's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	253.56%	280.38%	326.81%	431.81%	340.21%	270.73%	278.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Schedule of Employer Contributions

	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 450,200	$ 461,677	$ 389,090	$ 409,830	$ 373,045	$ 364,338	$ 330,654
Contributions in Relation to the Contractually Required Contribution	$ (450,200)	$ (461,677)	$ (389,090)	(409,830)	(373,045)	(364,338)	(330,654)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Covered-Employee Payroll	$ 3,384,006	$ 3,220,335	$ 3,237,854	$ 3,050,187	$ 3,126,640	$ 2,940,410	$ 3,026,210
Contributions as a Percentage of Authority's Covered-Employee Payrol	13.30%	14.34%	12.02%	13.44%	11.93%	12.39%	10.93%

Notes

Changes in Benefit Terms - There were no significant changes in benefit terms.

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

2019	2019	2018	2017	2016	2015	2013
6.28%	5.66%	5.00%	3.98%	4.90%	5.39%	5.55%

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

SUPPLEMENTARY INFORMATION

SCHEDULE 1

THE LANDIS SEWERAGE AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION-
NET INVESTMENT IN CAPITAL ASSETS, RESTRICTED AND UNRESTRICTED
YEARS ENDED DECEMBER 31, 2019 AND 2018

		UNRESTRICTED		RESTRICTED					
	NET INVESTMENT IN CAPITAL ASSETS	UNDESIGNATED	DESIGNATED	DEBT SERVICE	CONSTRUCTION	RENEWAL AND REPLACEMENT	OPERATING	TOTALS (MEMO) 2019	TOTALS (MEMO) 2018
OPERATING REVENUE:									
User Charges and Fees	$ -	$ 10,106,589	$ -	$ -	$ -	$ -	$ -	$ 10,106,589	$ 10,144,945
Connection Fees		395,003						395,003	501,520
Other		275,564						275,564	232,958
	-	10,777,156	-	-	-	-	-	10,777,156	10,879,423
OPERATING EXPENSES:									
Cost of Providing Services		7,179,575						7,179,575	6,839,466
Administrative and General		2,077,052						2,077,052	2,072,089
Depreciation		2,366,448						2,366,448	2,251,760
	-	11,623,075	-	-	-	-	-	11,623,075	11,163,315
OPERATING LOSS	-	(845,919)	-	-	-	-	-	(845,919)	(283,892)
NON-OPERATING REVENUE (EXPENSES):									
Miscellaneous Income		86,367						86,367	61,043
Interest Income		185,187		34,487	2,651			222,325	243,140
Interest Expense		(55,302)						(55,302)	(125,802)
Appropriation to City of Vineland		(50,000)						(50,000)	(50,000)
Increase (Decrease) in Fair Value of Investments		492						492	(29,026)
	-	166,744	-	34,487	2,651	-	-	203,882	99,355
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	-	(679,175)	-	34,487	2,651	-	-	(642,037)	(184,537)
CAPITAL CONTRIBUTIONS	6,085							6,085	97,696
TRANSFERS AND ADJUSTMENTS:									
Interest Income		37,138		(34,487)	(2,651)			-	-
Other Transfers	(1,988,066)	1,094,947	(50,000)	909,119		100,000	(66,000)	-	-
INCREASE (DECREASE) IN NET POSITION	(1,981,981)	452,910	(50,000)	909,119	-	100,000	(66,000)	(635,952)	(86,841)
NET POSITION - JANUARY 1,	49,185,007	(4,914,049)	50,000	622,679	-	500,000	1,548,000	46,991,637	47,078,478
NET POSITION - DECEMBER 31,	$ 47,203,026	$ (4,461,139)	$ -	$ 1,531,798	$ -	$ 600,000	$ 1,482,000	$ 46,355,685	$ 46,991,637

UNRESTRICTED NET POSITION (DEFICIT)-
UNDESIGNATED-

Related to Pensions (GASB 68 and 71)	$ (10,522,165)
Before GASB 68 and 71 Pension Related Items	6,061,026
	$ (4,461,139)

SCHEDULE 2

THE LANDIS SEWERAGE AUTHORITY
SCHEDULE OF REVENUES AND COSTS FUNDED BY
REVENUES COMPARED TO BUDGET - BUDGETARY BASIS
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	2019 BUDGET	2019 ACTUAL	2018 ACTUAL
REVENUE:			
User Charges and Fees	$ 9,760,000	$ 10,106,589	$ 10,144,945
Connection and Lateral Fees	350,000	395,003	501,520
Other Revenue	300,000	361,931	294,001
Interest Income	300,000	222,325	243,140
Total Revenue	10,710,000	11,085,848	11,183,606
EXPENSES:			
Cost of Providing Services:			
Salaries - Supervision	1,144,000	1,198,439	1,173,005
Salaries and Wages	1,912,000	2,181,383	1,892,839
Employee Benefits	1,368,000	1,361,189	1,296,227
Payroll Taxes	244,500	260,380	233,316
Utilities and Telephone	950,000	1,133,040	1,111,628
Miscellaneous Materials and Supplies	198,000	181,625	140,832
Repairs and Maintenance	264,000	228,652	312,852
Laboratory Testing	27,000	24,930	23,337
Grit and Grease Disposal	7,000	9,483	7,013
Mobile Equipment Expense	133,000	129,626	137,694
Chemicals	242,000	292,009	191,148
Industrial Pretreatment	14,000	12,137	10,610
Sewer Backup and Clean-up Costs	21,000		
Farm Supplies, Maintenance and Utilities	140,000	155,944	150,052
	6,664,500	7,168,837	6,680,553
Administrative and General Expenses:			
Salaries and Wages	965,000	976,493	984,148
Employee Benefits	435,000	394,683	388,553
Payroll Taxes	77,500	70,642	73,558
Professional Services	179,000	174,206	172,160
Insurance	166,000	174,165	169,886
Travel	6,000	5,145	4,610
Public Relations	1,000	1,657	956
City of Vineland - Tax Office	10,250	10,750	10,250
Permit Fees	100,000	107,359	74,830
Miscellaneous Expense	55,000	58,758	48,262
Office Expenses	102,050	90,149	83,641
Chairman's Expenses	6,700	5,942	6,223
Household Hazardous Waste Clean-Up Day	4,000	4,000	4,000
	2,107,500	2,073,949	2,021,077
Interest Expense	49,000	48,650	112,735

THE LANDIS SEWERAGE AUTHORITY
SCHEDULE OF REVENUES AND COSTS FUNDED BY REVENUES COMPARED TO BUDGET - BUDGETARY BASIS
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	2019 BUDGET	2019 ACTUAL	2018 ACTUAL
OTHER COSTS FUNDED BY REVENUE:			
Principal Maturities	$ 1,200,000	$ 1,200,000	$ 1,200,000
Debt Service Coverage Requirement	125,000		
Municipal Appropriations	50,000	50,000	50,000
Capital Outlays	514,000	265,142	347,522
	1,889,000	1,515,142	1,597,522
TOTAL COSTS FUNDED BY REVENUE	10,710,000	10,806,578	10,411,887
REVENUES OVER COSTS FUNDED BY REVENUES	$ -	279,270	771,719
Reconciliation of Budgetary Basis to Change in Net Position:			
Adjustments to Budgetary Basis:			
Principal Maturities		1,200,000	1,200,000
Capital Outlays		265,142	347,522
Depreciation		(2,366,448)	(2,251,760)
Amortization Charged to Interest Expense		(6,652)	(13,067)
Decrease in Fair Value of Investments		492	(29,026)
Capital Contributions		6,085	97,696
Pension Expense - Difference of GAAP vs. Budgetary Basis		(13,841)	(209,925)
CHANGE IN NET POSITION PER EXHIBIT B		**$ (635,952)**	**$ (86,841)**

THE LANDIS SEWERAGE AUTHORITY
SCHEDULE OF TERM BONDS PAYABLE
DECEMBER 31, 2019

DESCRIPTION	ORIGINAL ISSUE	DATE OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	INTEREST RATE		BALANCE JANUARY 1, 2019	ISSUED 2019	PRINCIPAL PAID 2019	BALANCE DECEMBER 31, 2019
Short Term Auction Rate Securities-Series 1993-B	$ 6,500,000	4/1/93	9/19/2019	$ 6,500,000	VARIOUS	(1)	$ 600,000	$	$ 600,000	$ -
Complimentary Auction Rate Securities-Series 1993-C	6,500,000	4/1/93	9/19/2019	6,500,000	VARIOUS	(1)	600,000		600,000	-
							$ 1,200,000	$ -	$ 1,200,000	$ -

(1) The combined rate or Linked Coupon Rate is 5.65% which is the rate the Authority pays, even though the rates for each of these Securities can change at each Auction Date.

SCHEDULE 4

THE LANDIS SEWERAGE AUTHORITY
SCHEDULE OF SEWER REVENUE BONDS PAYABLE
DECEMBER 31, 2019

DESCRIPTION	ORIGINAL DATE	ORIGINAL AMOUNT	INTEREST RATE	MATURITIES DATE	MATURITIES AMOUNT	BALANCE JANUARY 1, 2019	ISSUED 2019	PRINCIPAL PAID 2019	BALANCE DECEMBER 31, 2019
Issue of 2016	8/11/2016	$ 25,000,000	3.95%	12/31/2020	$ 530,583	$ 25,000,000	$ -	$ -	$ 25,000,000
			3.95%	12/31/2021	551,832				
			3.95%	12/31/2022	573,932				
			3.95%	12/31/2023	596,917				
			3.95%	12/31/2024	620,823				
			3.95%	12/31/2025	645,686				
			3.95%	12/31/2026	671,545				
			3.95%	12/31/2027	698,440				
			3.95%	12/31/2028	726,411				
			3.95%	12/31/2029	755,503				
			3.95%	12/31/2030	785,760				
			3.95%	12/31/2031	817,228				
			3.95%	12/31/2032	849,957				
			3.95%	12/31/2033	883,997				
			3.95%	12/31/2034	919,400				
			3.95%	12/31/2035	956,220				
			3.95%	12/31/2036	994,516				
			3.95%	12/31/2037	1,034,344				
			3.95%	12/31/2038	1,075,769				
			3.95%	12/31/2039	1,118,852				
			3.95%	12/31/2040	1,163,660				
			3.95%	12/31/2041	1,210,263				
			3.95%	12/31/2042	1,258,732				
			3.95%	12/31/2043	1,309,143				
			3.95%	12/31/2044	1,361,572				
			3.95%	12/31/2045	1,416,101				
			3.95%	12/31/2046	1,472,814				
						$ 25,000,000	$ -	$ -	$ 25,000,000

THE LANDIS SEWERAGE AUTHORITY
FINDINGS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2019

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

None Noted

THE LANDIS SEWERAGE AUTHORITY
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2019

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None Noted

THE LANDIS SEWERAGE AUTHORITY
ROSTER OF OFFICIALS

Authority Members	Position	Amount of Surety Bond
Joseph J. Reuben	Chairman	$ 10,000
G. Steven Errickson	Vice Chairman	10,000
Carlos Villar	Secretary	10,000
Thomas J. Merighi	Treasurer	10,000
Perry D. Barse	Assistant Secretary/Treasurer	10,000

Other Officials		
A. Steven Fabietti	Solicitor	
Dennis W. Palmer	Executive Director/Chief Engineer	10,000
David R. Kotok	Financial Advisor	

Surety Companies

Selective Insurance Company of America