

# MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

(A Component Unit of the County of Middlesex, New Jersey)



**IMPROVEMENT AUTHORITY**  
MIDDLESEX COUNTY ♦ NJ

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2023 AND 2022**

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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## **INDEPENDENT AUDITORS' REPORT**

The Honorable Chairperson and  
Board of Commissioners  
Middlesex County Improvement Authority  
Cranbury, New Jersey

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities and fiduciary funds of the Middlesex County Improvement Authority, New Jersey (the "Authority"), a component unit of the County of Middlesex, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary funds of the Authority, as of December 31, 2023 and 2022, and the changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the requirements of the Division, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Other Required Supplementary Information as identified in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary financial information, such as the schedule of revenues and expenses compared to budget, schedules of revenue bonds and notes payable, schedules of loans payable, schedule of conduit debt activity and the other information are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

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

The roster of officials and the general comments and recommendations sections of the report have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Cranford, New Jersey  
September 30, 2024



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

The Honorable Chairperson and  
Board of Commissioners  
Middlesex County Improvement Authority  
Cranbury, 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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") the basic financial statements of the business-type activities and fiduciary funds of the Middlesex County Improvement Authority, in the County of Middlesex, New Jersey ("Authority"), a component unit of the County of Middlesex, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 30, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

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**Honorable Chairman and Members of  
Middlesex County Improvement Authority  
County of Middlesex, New Jersey**  
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## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Division.

### **Purpose of This Report**

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

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Cranford, New Jersey

September 30, 2024



**REQUIRED SUPPLEMENTARY INFORMATION**

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)  
December 31, 2023**

The Middlesex County Improvement Authority (the "Authority") is a component-unit of the County of Middlesex, New Jersey (the "County"). The following Management's Discussion and Analysis of the activities and financial performance of the Authority provide an introduction to the financial statements of the Authority for the year ended December 31, 2023. Please read it in conjunction with the Authority's financial statements and accompanying notes.

**FINANCIAL HIGHLIGHTS**

- Cash decreased by \$26,232,784, or 35.03% from the prior year. The Authority's acquisition and construction of capital assets and investment purchase activity increased while receipts from county appropriations, net investment in bond projects and non-operating income decreased.
- Patient Fees Receivable increased by \$1,331,203 or 22.25% from the prior year as revenue from the Roosevelt Care Center Facilities increased by \$2,611,480.
- Net Investment in Capital Lease and Improvement Programs decreased by \$13,815,120 or 34.15% due to various open space refunding projects.
- Capital Assets – Net increased by \$19,717,996, or 21.79% from the prior year. Increase represents the amount by which capital expenditure exceeded depreciation expense for assets in operation or use.
- Revenue Bonds Payable decreased \$18,529,387 or 8.25% from the prior year. The Authority issued \$9,420,923 in County Guaranteed Capital Equipment and Improvement Revenue Bonds which was offset by \$20,891,343 in debt service principal payments.
- Accrued Post-Employment Health Benefits Payable increased by \$16,285,439 or 9.02% because of actuarial assumption changes offset by a decrease in actuarial demographic loss. There was also an increase in interest cost which was offset by a decrease in service cost. The Authority participates in the Middlesex County Joint Health Insurance Fund.
- Net Pension Payable decreased by \$1,877,685 or 7.13% due to changes of assumptions, net difference between projected and actual investment earnings on pension plan investments and changes in proportion. The Authority participates in the Public Employees' Retirement System.
- Net Position increased by \$5,123,308 or 1.91% from the prior year while the operating loss increased by 21.28% and the change in net position decreased by 38.03%.
- Operating revenues were \$57,258,377 for the year ended December 31, 2023. This is a \$3,279,384 or 6.08% increase from the prior year.
- Operating Expenses were \$64,492,220 for the year ended December 31, 2023. This is a \$4,548,705 or 7.58% increase from the prior year.
- Non-Operating Revenues were \$12,357,151 for the year ended December 31, 2023. This is a \$1,873,623 or 13.16% decrease from the prior year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority is a self-supporting entity and follows enterprise fund reporting. The Authority's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles as promulgated by GASB. While detailed sub-fund information is not presented, separate accounts are maintained for each program and certain restricted funds or accounts have been established as required by bond resolutions and agreements. Additionally, the Authority maintains a fiduciary fund to account for funds held in trust for other entities that have arisen as a result of conduit debt transactions. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

## REQUIRED FINANCIAL STATEMENTS

Enterprise fund statements reflect short- and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business. Fiduciary fund statements reflect assets held in trust for other entities.

The **Statements of Net Position** includes all of the Authority's assets, deferred outflows, liabilities, and deferred inflows and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority's 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.

The **Statements of Revenues, Expenses and Changes in Net Position** accounts for all of the current year's revenues and expenses. 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 of its costs through its user fees and other charges. This statement also measures the Authority's profit and credit worthiness.

The **Statements of Cash Flows** provides 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 operating, investing and financing activities. This statement provides the answers to such questions as "where did the cash come from, what was the cash used for, and what was the change in the cash balance during the reporting period?"

The **Statements of Fiduciary Net Position** presents information reflecting funds held on behalf of others that have arisen as a result of conduit debt transactions.

## 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 or worse off as a result of the year's activities?" The Statement of Net Position and 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 them. The Authority's net position – the difference between assets, deferred outflows and liabilities, deferred inflows – are a measurement of the financial health or financial position.

Over time, increases or decreases in the Authority's net position are an indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in economic conditions, customer growth and legislative mandates also need to be considered.

## **BUDGETARY HIGHLIGHTS**

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

Supplemental Schedule IV shows that, on a budgetary basis, the Authority realized an unfavorable variance of \$1,001,180 on budgeted expenses of \$74,987,496 for the year ended December 31, 2023. As shown by the reconciliation of the budgetary basis to GAAP on page 2 of the schedule, the most significant adjustments required to adjust to the budgetary basis are:

- Add Unrecorded Pension and OPEB Expenses
- Eliminate Maturing Bond Principal from Expenses
- Add Unrecorded Depreciation and Amortization Expenses

Readers should be cautioned that the statutory operating results presented in Supplementary Schedule IV are not intended to present and do not present financial results in accordance with GAAP.

## NET POSITION

The Authority's total net position increased from last year by 1.91% due to the net income. The analysis, which focuses on the Authority's net position (Table A-1) and changes in net position (Table A-2) during the year.

**Table A-1  
Net Position**

	2023	2022	2021	2023-2022		2022-2021	
				(DECREASE)/INCREASE	(DECREASE)/INCREASE	(DECREASE)/INCREASE	(DECREASE)/INCREASE
				\$	%	\$	%
<b>Assets:</b>							
Current and Other Assets	\$ 121,374,086	\$ 160,271,573	\$ 182,586,637	\$ (38,897,487)	-24.27%	\$ (22,315,064)	-12.22%
Capital Assets	110,192,898	90,474,902	77,028,443	19,717,996	21.79%	13,446,459	17.46%
Total Assets	231,566,984	250,746,475	259,615,080	(19,179,491)	-7.65%	(8,868,605)	-3.42%
Deferred Outflows of Resources	35,765,136	38,618,407	27,720,164	(2,853,271)	-7.39%	10,898,243	39.32%
<b>Liabilities:</b>							
Current Liabilities	47,671,427	47,866,407	40,416,192	(194,980)	-0.41%	7,450,215	18.43%
Noncurrent Liabilities	429,972,212	430,634,752	463,548,646	(662,540)	-0.15%	(32,913,894)	-7.10%
Total Liabilities	477,643,639	478,501,159	503,964,838	(857,520)	-0.18%	(25,463,679)	-5.05%
Deferred Inflows of Resources	52,507,686	78,806,236	59,579,171	(26,298,550)	-33.37%	19,227,065	32.27%
<b>Net Position</b>							
Net Investment in							
Capital Assets	(50,714,419)	(50,401,723)	(49,372,752)	(312,696)	-0.62%	(1,028,971)	-2.08%
Unrestricted	(212,104,786)	(217,540,790)	(226,836,013)	5,436,004	2.50%	9,295,223	4.10%
Total Net Position	\$ (262,819,205)	\$ (267,942,513)	\$ (276,208,765)	\$ 5,123,308	1.91%	\$ 8,266,252	2.99%

## CHANGES IN NET POSITION

Changes in the Authority's net position can be determined by reviewing the following condensed statements of revenues, expenses and changes in net position (Table A-2).

**Table A-2**  
**Statement of Revenues, Expenses, and Changes in Net Position**

	2023	2022	2021	2023-2022		2022-2021	
				INCREASE/(DECREASE)		(DECREASE)/INCREASE	
				\$	%	\$	%
<b>REVENUES</b>							
Operating Revenues:							
Financing/Administrative Fees	\$ 304,225	\$ 166,306	\$ 313,232	\$ 137,919	82.93%	\$ (146,926)	-46.91%
Roosevelt Care Center Facilities	44,036,884	41,425,404	39,607,712	2,611,480	6.30%	1,817,692	4.59%
Recycling Operations	12,917,268	12,387,283	12,207,422	529,985	4.28%	179,861	1.47%
Total Operating Revenues	57,258,377	53,978,993	52,128,366	3,279,384	6.08%	1,850,627	3.55%
Operating Expenses:							
Administrative	8,792,333	8,014,383	8,777,242	777,950	9.71%	(762,859)	-8.69%
Cost of Providing Services	54,413,562	50,871,527	49,951,673	3,542,035	6.96%	919,854	1.84%
Depreciation	1,286,325	1,057,605	1,077,192	228,720	21.63%	(19,587)	-1.82%
Total Operating Expenses	64,492,220	59,943,515	59,806,107	4,548,705	7.59%	137,408	0.23%
Net Non-Operating Revenues (Expenses)	12,357,151	14,230,774	12,650,341	(1,873,623)	-13.17%	1,580,433	12.49%
Increase (Decrease) in Net Position	\$ 5,123,308	\$ 8,266,252	\$ 4,972,600	\$ (3,142,944)	-38.02%	\$ 3,293,652	66.24%

While the Statements of Net Position show change in net position, the Statements of Revenues, Expenses, and Changes in Net Position, provide answers as to the nature and source of these changes. As can be seen in Table A-2 above, the change in net position decreased \$3,142,944 in 2023 relative to the change in net position in 2022.

### Revenues:

Table A-2 shows "Operating Revenues" increased by \$3,279,384 or 6% to \$57,258,377 for the year ended December 31, 2023 in comparison to 2022.

### Expenses:

A further review of Table A-2 reveals that "Total Operating Expenses" increased by \$4,548,705, or 8% for the year ended December 31, 2023 in comparison to 2022.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

At December 31, 2023, the Authority had \$110,192,898 in net capital assets, which consist of construction in progress, land, buildings, furniture and fixtures, leasehold improvements, vehicles, equipment, and right-of-use office space, and right-of-use-equipment. Accumulated depreciation/amortization amounted to \$63,360,269 as of December 31, 2023. The construction in progress balance consists of construction expenditures related to the New Brunswick Parking Deck project. The following table summarizes the Authority's capital assets and changes therein for the years ended December 31, 2023, 2022, and 2021. Capital asset detail information is presented in Note 4 to the financial statements.

**Table A-3**  
**Gross Capital Assets**

	2023	2022	2021	2023-2022		2022-2021	
				INCREASE(DECREASE)		INCREASE(DECREASE)	
				\$	%	\$	%
Construction in Progress	\$ 37,955,978	\$ 14,968,919	\$ 3,732,765	\$ 22,987,059	153.57%	\$ 11,236,154	100.00%
Land	6,420,000	6,420,000	6,220,000	-	0.00%	200,000	3.22%
Furniture and Fixtures	6,340,550	6,340,550	6,340,550	-	0.00%	-	0.00%
Machinery & Equipment	375,004	378,657	378,657	(3,653)	-0.96%	-	0.00%
Vehicles	326,658	262,589	191,848	64,069	24.40%	70,741	36.87%
Right-of-Use Asset - Office Space	736,407	736,407	736,407	-	0.00%	-	0.00%
Leasehold Improvements	9,286	9,286	9,286	-	0.00%	-	0.00%
Buildings	27,669,601	27,455,763	22,163,602	213,838	0.78%	5,292,161	23.88%
Heldrich Center	93,719,683	93,669,683	93,619,683	50,000	0.05%	50,000	0.05%
	<u>\$ 173,553,167</u>	<u>\$ 150,241,854</u>	<u>\$ 133,392,798</u>	<u>\$ 23,311,313</u>	<u>15.52%</u>	<u>\$ 16,849,056</u>	<u>12.63%</u>

At December 31, 2023, the Authority had outstanding revenue bonds in the amount of \$206,163,890. Debt Service Schedules go out through calendar year 2052. Interest rates range from 2.0% to 8.750% on bonds issued. Principal payments are due annually each year. The current principal due on the bonds payable is \$27,518,847 and the noncurrent principal totals \$178,645,043. Further detail of the Authority's debt is presented in Note 6 and the supplementary schedules.

## CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide Middlesex County residents and taxpayers, and 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 information, please contact the Middlesex County Improvement Authority, 101 Interchange Plaza, Cranbury, New Jersey, 08512, or visit the Authority's website at: [www.mciauth.com](http://www.mciauth.com).

## **BASIC FINANCIAL STATEMENTS**



MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY

STATEMENTS OF NET POSITION  
DECEMBER 31, 2023 AND 2022

<u>ASSETS</u>	<u>DEC. 31, 2023</u>	<u>DEC. 31, 2022</u>	<u>LIABILITIES</u>	<u>DEC. 31, 2023</u>	<u>DEC. 31, 2022</u>
Current Assets:			Current Liabilities Payable from Unrestricted Assets:		
Unrestricted Assets:			Accounts Payable	\$ 4,980,542	\$ 4,779,014
Cash and Cash Equivalents	\$ 13,235,746	\$ 12,852,746	Accrued Expenses	100,753	130,055
Accounts Receivable	1,251,959	1,191,061	Leases payable - current portion	118,486	110,031
Due from Municipalities and Participants	1,463,630	1,728,753	Total Current Liabilities Payable from Unrestricted Assets	<u>5,199,781</u>	<u>5,019,100</u>
Total Current Unrestricted Assets	<u>15,951,335</u>	<u>15,772,560</u>			
			Current Liabilities Payable from Restricted Assets:		
Restricted Assets:			Revenue Bonds Payable	27,518,847	30,106,343
Cash and Cash Equivalents	35,410,964	62,026,748	Accrued Post-Employment Health Benefits Payable	6,481,046	6,238,885
Investments	2,040,018	2,445,095	Accrued Expenses	455,492	394,968
Accounts Receivable	650,716	407,507	Reserve for Special RCC Funds	575,726	587,667
Patient Fees Receivable	7,312,886	5,981,683	Accrued Interest on Bonds	993,687	1,244,360
Interest Receivable	279,151	399,399	Accounts Payable	6,446,848	4,275,084
Net Investment in Perth Amboy Utility Franchise Lease	909,846	766,840	Total Current Liabilities Payable from Restricted Assets	<u>42,471,646</u>	<u>42,847,307</u>
Net Investment in Capital Lease and Improvement Programs	11,877,324	23,530,433	Total Current Liabilities	<u>47,671,427</u>	<u>47,866,407</u>
Total Current Restricted Assets	<u>58,480,905</u>	<u>95,557,705</u>			
Total Current Assets	<u>74,432,240</u>	<u>111,330,265</u>	Noncurrent Liabilities Payable from Unrestricted Assets:		
			Compensated Absences	73,760	64,950
Noncurrent Assets:			Reserve for COBRA/Workers Comp Insurance	736,211	685,817
Restricted Assets:			Long-term lease payable	341,026	430,466
Investments	7,170,180	6,097,784	Total Noncurrent Liabilities Payable from Unrestricted Assets	<u>1,150,997</u>	<u>1,181,233</u>
Net Investment in Perth Amboy Utility Franchise Lease	11,196,731	12,106,578			
Net Investment in Capital Lease and Improvement Programs	28,574,935	30,736,946	Noncurrent Liabilities Payable from Restricted Assets:		
Total Restricted Assets	<u>46,941,846</u>	<u>48,941,308</u>	Revenue Bonds Payable	178,645,043	194,586,934
			Loan Payable-CRDA	20,000,000	20,000,000
Noncurrent Assets:			Compensated Absences	295,145	263,371
Capital Assets (Net)	110,192,898	90,474,902	Accrued Post-Employment Health Benefits Payable	190,396,621	174,353,343
Total Noncurrent Assets	<u>157,134,744</u>	<u>139,416,210</u>	Net Pension Payable	24,429,975	26,307,660
Total Assets	<u>231,566,984</u>	<u>250,746,475</u>	Reserve for Proceeds, Acq. Funds and Refunding Escrows	872,974	234,193
			Funds Held for Other Purposes:		
DEFERRED OUTFLOWS OF RESOURCES			Heldrich Hotel/Conference Ctr. Project	10,441,447	10,391,992
Pension Deferrals	1,526,876	2,459,381	Perth Amboy Lease & Franchise Ext. Project	3,740,010	3,316,026
OPEB Deferrals	34,238,260	36,159,026	Total Noncurrent Liabilities Payable from Restricted Assets:	<u>428,821,215</u>	<u>429,453,519</u>
Total Deferred Outflows of Resources	<u>35,765,136</u>	<u>38,618,407</u>	Total Noncurrent Liabilities	<u>429,972,212</u>	<u>430,634,752</u>
			Total Liabilities	<u>477,643,639</u>	<u>478,501,159</u>
			DEFERRED INFLOWS OF RESOURCES		
			Pension Deferrals	7,462,651	12,263,932
			OPEB Deferrals	45,045,035	66,542,304
			Total Deferred Inflows of Resources	<u>52,507,686</u>	<u>78,806,236</u>
			NET POSITION		
			Net Investment in Capital Assets	(50,714,419)	(50,401,723)
			Unrestricted	(212,104,786)	(217,540,790)
			Total Net Position	<u>(262,819,205)</u>	<u>(267,942,513)</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 267,332,120</u>	<u>\$ 289,364,882</u>	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 267,332,120</u>	<u>\$ 289,364,882</u>

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Financing/Administrative Fees	\$ 304,225	\$ 166,306
Roosevelt Care Center Facilities	44,036,884	41,425,404
Curbside/Yardwaste Pick Up	8,912,609	8,509,005
Recycling Operations	3,883,423	3,878,278
Carteret Parking	121,236	
	<u>57,258,377</u>	<u>53,978,993</u>
Total Operating Revenues		
Operating Expenses:		
Administrative	8,792,333	8,014,383
Cost of Providing Services	54,413,562	50,871,527
Depreciation/Amortization	1,286,325	1,057,605
	<u>64,492,220</u>	<u>59,943,515</u>
Total Operating Expenses		
Operating Loss	<u>(7,233,843)</u>	<u>(5,964,522)</u>
Non-Operating Revenues (Expenses):		
New Jersey Transit Grant Revenue	975,946	774,529
Interest Income	1,567,032	959,951
County Appropriations	13,437,493	15,452,798
Bond Issuance Costs		(218,268)
Interest on Bonds	(2,803,916)	(3,277,175)
Annual Bond Fees	(21,881)	
Depreciation-Heldrich Hotel/Conference Ctr. Proj.	(2,342,992)	(2,344,992)
Miscellaneous	1,545,469	2,883,931
	<u>12,357,151</u>	<u>14,230,774</u>
Net Non-Operating Revenues		
Change in Net Position	5,123,308	8,266,252
Total Net Position - Beginning	<u>(267,942,513)</u>	<u>(276,208,765)</u>
Total Net Position - Ending	<u>\$ (262,819,205)</u>	<u>\$ (267,942,513)</u>

See Accompanying Notes to the Financial Statements

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$ 56,301,059	\$ 51,787,498
Cash Payments for Goods and Supplies	(38,531,078)	(40,419,415)
Cash Payments for Employee Expenses	(31,672,791)	(32,263,932)
	(13,902,810)	(20,895,849)
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Other Non-Operating Income	2,322,384	3,482,917
County Appropriation and Sale Proceeds	13,923,655	21,952,798
	16,246,039	25,435,715
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Principal Paid on Revenue Bonds Payable	(20,891,343)	(20,068,253)
Interest Paid on Revenue Bonds Payable	(2,941,053)	(2,461,502)
Proceeds Bond Sale (Net)	9,829,379	15,950,127
Lease Payments	32,348	(106,962)
Lease Issuance Proceeds	113,333	
Bond Issue Costs and Annual Fees (Net)	(21,881)	(218,268)
Net Investment in Bond Projects	8,231,686	18,493,642
	(5,647,531)	11,588,784
<b>Cash Flows from Investing Activities:</b>		
Acquisition and Constr. of Capital Assets	(23,347,313)	(16,849,056)
Purchases of Investments	(1,521,893)	(194,584)
Redemptions of Investments	854,574	605,516
Interest on Investments and Deposits	1,086,150	997,739
	(22,928,482)	(15,440,385)
Change in Cash and Cash Equivalents	(26,232,784)	688,265
Cash and Cash Equivalents, Beginning of Year	74,879,494	74,191,229
Cash and Cash Equivalents, End of Year	\$ 48,646,710	\$ 74,879,494

See Accompanying Notes to the Financial Statements

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Reconciliation to Statements of Net Position:</b>		
Current Cash and Cash Equivalents	\$ 13,235,746	\$ 12,852,746
Noncurrent Restricted Cash and Cash Equivalents	<u>35,410,964</u>	<u>62,026,748</u>
Cash and Cash Equivalents, End of Year	<u>\$ 48,646,710</u>	<u>\$ 74,879,494</u>
<b>Reconciliation of Operating Loss to Net Cash</b>		
<b>Flows from Operating Activities:</b>		
Operating Loss	\$ (7,233,843)	\$ (5,964,522)
<b>Adjustments to Reconcile Operating Loss to</b>		
<b>Net Cash Used by Operating Activities:</b>		
Depreciation and Amortization	1,286,325	1,057,605
Net Pension Liability (Benefit)	(5,586,338)	(7,860,719)
Net OPEB Liability (Benefit)	(3,291,064)	(3,320,532)
Non-operating portion of change in pension accrual	83,936	110,999
Change in Operating Assets and Liabilities:		
Receivables/Deposits	(957,318)	(2,191,495)
Accounts Payable/Other Liabilities	1,754,908	(2,696,588)
Compensated Absences	<u>40,584</u>	<u>(30,597)</u>
Total Adjustments	<u>(6,668,967)</u>	<u>(14,931,327)</u>
Net Cash Flows from Operating Activities	<u>\$ (13,902,810)</u>	<u>\$ (20,895,849)</u>

See Accompanying Notes to the Financial Statements

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY

STATEMENTS OF FIDUCIARY NET POSITION  
DECEMBER 31, 2023 AND 2022

<u>ASSETS</u>	Custodial Funds	
	DEC. 31, 2023	DEC. 31, 2022
Current Assets:		
Cash and Cash Equivalents	\$ 57,064,279	\$ 4,076,705
Investments	640,476,158	1,325,171
Total Current Assets	697,540,437	5,401,876
Total Assets	\$ 697,540,437	\$ 5,401,876
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 91,273	\$ 132,056
Prepaid Lease Payments	275,625	315,550
Net Investment in Project	2,152,786	2,641,230
Total Current Liabilities	2,519,684	3,088,836
Noncurrent Liabilities:		
Reserve for Refunding Escrows	4,830,297	121,005
Funds Held for Other Purposes:		
Helix Project	687,869,562	-
North Brunswick Senior Citizen Housing Project	1,917,390	1,799,670
South Plainfield Housing Project	235,750	274,077
New Brunswick Cultural Center Project	99,905	66,293
Educational Services Commission of NJ	67,849	51,995
Total Noncurrent Liabilities	695,020,753	2,313,040
Total Liabilities	\$ 697,540,437	\$ 5,401,876

See Accompanying Notes to the Financial Statements

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**1. General**

The Middlesex County Improvement Authority (the Authority) is a public body, politic and corporate constituting a political subdivision of the State of New Jersey. It was established as an instrumentality exercising public and essential governmental functions under the provisions of the County Improvement Authorities Law, P.L. 1960, C.183 (N.J.S.A. 40:37A-44 et seq.), as amended and supplemented. The Authority was established September 6, 1990 by resolution of the Board of Chosen Freeholders of the County of Middlesex.

The Authority is governed by a board consisting of five members, each of whom is appointed by the Board of County Commissioners of Middlesex County for a term of five years. The Board of County Commissioners also approves all new debt issues of the Authority. Therefore, in accordance with Governmental Accounting Standards Board Statement No. 61, the Authority is considered a component-unit of the County of Middlesex.

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

The Authority was established to provide a wide range of public services, including recycling services and project financing for governmental and nonprofit entities. The Authority's operations consist primarily of the following programs/projects and financings:

Capital Equipment Lease/Improvement Programs – 2008 Series through 2023 Series

The Authority issues bonds to finance the acquisition and installation of certain items of equipment, which are simultaneously leased to the County of Middlesex and participating municipalities located in Middlesex County, New Jersey. During the term of the lease, the Authority will hold title to the equipment and lease such items of equipment to the respective participant. Each participant will make payments of basic rent to the trustee for the benefit of the Authority on dates set forth in lease agreements in each year during the lease term in an amount equal to the participant's allocable share of debt service due on the bonds on the next succeeding interest payment date and principal installment date, as applicable.

Educational Services Commission of NJ Project – Series 2014 and 2017

The Authority financed a portion of the costs relating to the construction and equipping of a special education school facilities for the Educational Services Commission of NJ. The proceeds of the bonds were loaned to the Commission and, under the terms of the loan agreements, the Commission is required to make payments to the Authority for debt service on the bonds.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**1. General – (Continued)**

North Brunswick Taxable Guaranteed Revenue Bonds – Senior Citizen’s Housing Project – Series 1994

The Authority financed a portion of the costs of construction of a senior citizen’s housing project located in the Township of North Brunswick. Payment, when due, of the principal and interest on the bonds is secured by a full and unconditional guaranty by Township of North Brunswick.

Roosevelt Care Center Facilities

The Authority, pursuant to a lease and agreement with the County of Middlesex, provides for the long-term management, administration, and operation and maintenance services for the Roosevelt Care Center facilities.

County Guaranteed Open Space Trust Fund Revenue Bonds – Series 2011 and 2016 Refunding Bonds

The Bonds were issued to finance the acquisition of various parcels of real property by the County of Middlesex for the purposes of providing open space, farmland, historic preservation and recreational areas throughout the County of Middlesex. The Authority has entered into loan and security agreements with the County of Middlesex. The County of Middlesex will make payments of basic rent to the trustee for the benefit of the Authority in each year during the loan term equal to the debt service due on the bonds.

Perth Amboy Franchise Acquisition Project – Utility System Revenue Bonds - Series 1999B and 2004

The Franchise Acquisition Project provides for the leasing of the City of Perth Amboy water supply, transmission and distribution system and wastewater collection system in order to upgrade and improve as well as manage and maintain the System by way of an agreement with a designated affiliate or subsidiary of Middlesex Water Company. The project involved the issuance of a series of revenue bonds of the Authority. Series B Bonds were issued in the amount of \$24,469,076 to provide proceeds for ongoing and certain additional capital improvements along with the current refunding of the balance of City note indebtedness. The Series 1999 Bonds carry municipal bond insurance. The City has adopted a City bond guaranty for the Series 1999B Bonds.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**1. General – (Continued)**

Authority of South Plainfield Guaranteed Revenue Bonds - South Plainfield Senior Housing Project - Series 2000

The Authority issued bonds in the amount of \$6,000,000 in connection with the project. Total sources of funds, net of the \$3,275,000 of interim financing included in the \$6,000,000 are expected to be \$12,114,650. The Bonds matured on September 1, 2003 and thereafter, excluding the interim financing of \$3,275,000 that matured September 1, 2002, carry municipal bond insurance.

Heldrich Center Hotel/Conference Project – Series 2005 and 2007

The revenue bonds are issued to provide moneys to fund, together with moneys contributed from Heldrich Associates, LLC, grant and loan moneys received from the State of New Jersey and from the Casino Reinvestment Development Authority (CRDA) for development and construction of a mixed-use building located within the City of New Brunswick. The site consists of a 250 guest room and suites hotel, a full-service restaurant and lounge, 500 seat ballroom, ground floor retail space and ancillary services and approximately 50,000 square-foot conference center and related support facilities.

New Brunswick Cultural Center Project – Series 2017

The proceeds of the sale of the Series 2017 Bonds were loaned to the Cultural Center Redevelopment Associates Urban Renewal LLC (“Borrower”), in accordance with a Loan/Grant Agreement, dated as of September 7, 2017, by and between the Authority and the Borrower, to be used by the Borrower, together with other available funds, to: (i) finance a portion of the costs of the development and construction by the Borrower and its assigns of a multi-story building (“Tower”) to be built on the current site of the George Street Playhouse and Crossroads Theater in the City of New Brunswick, New Jersey, which Tower will be comprised of (I) two state-of-the art theaters and rehearsal space in the lower portion of the Tower, (II) approximately 200 rental apartments, including an affordable component, in the upper portion of the Tower, and (III) approximately 30,000 square feet of office space for use by the County; (ii) fund capitalized interest on the Series 2017 Bonds; and (iii) pay the costs and expenses incurred by the Authority, the Borrower and the County in connection with the issuance of the Series 2017 Bonds.



**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**1. General – (Continued)**

New Brunswick Parking Deck Bonds – Series 2021

The proceeds of the sale of the New Brunswick Parking Revenue Bonds, Series 2021, to the City of New Brunswick dated September 15, 2021 by and between the Authority and the Borrower to be used to: (i) pay the costs of the development, construction and equipping (including the costs of the acquisition of certain real property) of an approximately 975 space parking facility to be located in the City of New Brunswick, New Jersey to provide parking for, among others patients, staff, employees and visitors of and to the approximately 510,000 square foot, 12- story, expansion of the Rutgers Cancer Institute of New Jersey located in the City immediately adjacent to the Parking Facility; (ii) fund capitalized interest on the Bonds through and including September 1, 2024; and (iii) pay certain costs and expenses incurred by the Authority in connection with the Bonds.

Carteret Parking Project – Series 2022

The proceeds of the sale of the County Guaranteed Parking Revenue Bonds, Series 2022 (Carteret Project), to the Borough of Carteret dated April 26, 2022 issued by the Authority is to be used to: (i) pay the costs of the acquisition of the Carteret Parking Facility, including any and all rights and easements necessary to operating the Parking Facility; (ii) fund capitalized interest on the Bonds for a period not to exceed 24 months; and (iii) pay certain costs in connection with the issuance and delivery of the Bonds.

New Jersey Health + Life Science Exchange – H-1 Project – Series 2023

The Authority issued a series of bonds totaling \$417,600,000 (New Jersey Health + Life Science Exchange – H-1 Project) Series 2023, dated July 1, 2023, that included \$113,075,000 of bonds guaranteed by the County of Middlesex, New Jersey. The H-1 Project is the first phase of the New Jersey Health + Life Science Exchange and the bond proceeds provide a portion of the cost of an approximately 574,000 square foot building located in the City of New Brunswick, New Jersey, which will include innovation, research and medical educational space and will consist of three (3) major components: (i) The Rutgers Translational Research Facility for Rutgers, (ii) the Rutgers Robert Wood Johnson Medical School facility, and (iii) the New Jersey Innovation Hub. The series of bonds consisted of: \$26,720,000 County of Middlesex Guaranteed Lease Revenue Bonds, Series 2023A; \$42,430,000 County of Middlesex Guaranteed Lease Revenue Bonds, Series 2023B (Federally Taxable); \$18,225,000 County of Middlesex Guaranteed Lease Revenue Bonds, Series 2023C; \$25,700,000 County of Middlesex Guaranteed Lease Revenue Bonds, Series 2023D (Federally Taxable); \$190,765,000 Rutgers University General Obligation Lease Revenue Bonds, 2023 Series A; and \$113,760,000 Rutgers University General Obligation Lease Revenue Bonds, 2023 Series B (Federally Taxable). The Authority acted in a fiduciary capacity.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**2. Summary of Significant Accounting Policies**

**A. Basis of Accounting and Presentation:**

The Authority is generally a self-supporting entity and follows a proprietary fund type basis of accounting; accordingly, the accompanying financial statements are presented on that basis as an enterprise fund and have been prepared on the accrual basis and in accordance with generally accepted accounting principles. Additionally, the Authority maintains a fiduciary fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government and as the resources are not available to support the Authority's programs, these funds are not reflected in the enterprise fund financial statements. The Authority's fiduciary fund is a custodial fund which primarily accounts for bonds issued on behalf of Townships and other entities located within Middlesex County to finance various projects. The custodial funds account for funds that arise from the bond transactions and are held on behalf of the borrowers.

In its accounting and financial reporting, the Authority follows the pronouncements of the Government Accounting Standards Board (GASB). Under GAAP, the Authority is considered to be a component unit of the County of Middlesex. Based upon the requirements set forth by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, the Authority's reporting obligation is to issue stand alone financial statements, prepared on a GAAP basis.

**B. Description of the Funds:**

The Authority maintains unrestricted and restricted funds to account for its assets, liabilities, revenues, expenses and fund equity. Also, as the Authority chooses to utilize reserves in its accounting for various projects, in addition to restricted cash accounts, the financial statement account "net investment in project", is utilized as the offset to the applicable reserve category.

**C. Net Position:**

In the statement of net position, there are three classes of net position:

Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**2. Summary of Significant Accounting Policies – (Continued)**

**C. Net Position - (Continued):**

Unrestricted Net Position – any portion of net position not already classified as either net investment in capital assets or net position – restricted, is classified as net position – unrestricted.

**D. Revenues:**

Revenues are recognized in the period in which they are earned. Expenses are recorded when the liability is incurred.

**E. Capital Assets:**

Property, equipment, leasehold improvements and right-of-use assets are stated at historical cost. Depreciation is determined using the straight-line basis, over estimated useful lives, and or, life of lease, where applicable, when placed in service. The capitalization of interest in capital assets is not recorded for the Authority's participation in conduit financings.

**F. Cash Equivalents:**

The Authority considers investments with maturities of three months or less at date of purchase to be cash equivalents.

**G. Investments:**

Investments are valued at fair value.

**H. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**2. Summary of Significant Accounting Policies – (Continued)**

**I. Disclosures about Fair Value of Financial Instruments:**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments: The carrying amount approximates fair value because of the short maturity of those instruments.

Long-term investments: The fair values of long-term investments are estimated based on quoted market prices for those or similar investments. Additional information pertinent to the value of these investments is provided in Note 3.

Long-term debt: The Authority's long-term debt is stated at face value, net of unamortized discounts and premiums. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Authority's long-term debt is provided in Note 4.

**J. Debt Issue Costs**

Debt issue costs are expensed in the year in which the debt is issued.

**K. Comparative Data**

Comparative amounts for the prior year have been presented in order to provide an understanding of changes in the Authority's financial position and operations.

**L. Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The financial statements report deferred outflows for pension and other postemployment health benefit related reporting, including amounts related to differences between expected and actual experience; changes in assumptions and changes in proportion.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The financial statements report pension and other postemployment health benefit related deferred inflows relating to the difference in projected and actual earning along with changes in assumptions and proportion.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**2. Summary of Significant Accounting Policies – (Continued)**

**M. Reporting of and Disclosures About Pension Liabilities**

The financial statements include information relating to the net pension liabilities of the state sponsored, cost-sharing, multiple employer defined benefit pension plan in which the Authority participates, including information presented in these notes to the financial statements and the accompanying required supplementary information.

**N. Reporting of and Disclosures About OPEB Liabilities**

The financial statements include information relating to the OPEB liabilities of the employer defined benefit retiree welfare plan (health benefits for retirees) in which the Authority participates, including information presented in these notes to the financial statements and the accompanying required supplementary information.

**O. Adopted and Recent Pronouncements**

Adopted – The GASB issued Statement No. 96 “*Subscription-Based Information Technology Arrangements*” in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The requirements of this Statement have been evaluated by the Authority and have been determined to be immaterial to the financial statements for the year ended December 31, 2023.

Recent - The GASB issued Statement No. 99, “*Omnibus 2022*” in April 2022. This Statement provides guidance on the requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 which are effective immediately upon issuance. Additionally, the Statement provides guidance related to leases, PPPs, and SBITAs which are effective for periods beginning after June 15, 2022. Lastly, the Statement provides guidance related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 which is effective for periods beginning after June 15, 2023. Management has not yet determined the impact of this Statement on the financial statements.

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**2. Summary of Significant Accounting Policies – (Continued)**

**O. Adopted and Recent Pronouncements – (Continued)**

Recent - The GASB issued Statement No. 100, “*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*” in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. Earlier application is encouraged. Management has not yet determined the impact of this Statement on the financial statements.

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

Recent - The GASB issued Statement No. 102 “*Certain Risk Disclosures*” in December 2023. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

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

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**3. Deposits and Investments**

**Cash and Cash Equivalents:**

Operating cash, in the form of checking and money market accounts, is held in the Authority's name by commercial banking institutions. At December 31, 2023, the carrying amount of the Authority's deposits in the operating fund was \$48,646,710 and the carrying amount of the Authority's deposits in the fiduciary fund was \$57,064,279. The combined bank balance was \$106,358,302. Of the bank balance, \$1,504,938 was insured with Federal Deposit Insurance Corporation, \$96,543,316 was covered by GUDPA, and \$8,310,048 was uninsured. The uninsured funds are a combination of funds held on behalf of others which are exempt from GUDPA and funds deposited in banking institutions not covered by GUDPA. At December 31, 2022, the carrying amount of the Authority's deposits in the operating fund was \$74,879,494 and the carrying amount of the Authority's deposits in the fiduciary fund was \$4,076,705. The combined bank balance was \$80,761,640. Of the bank balance, \$1,518,584 was insured with Federal Deposit Insurance Corporation, \$71,956,396 was covered by GUDPA, and \$7,286,660 was uninsured. The uninsured funds are a combination of funds held on behalf of others which are exempt from GUDPA and funds deposited in banking institutions not covered by GUDPA.

Pursuant to GASB Statement No. 40, "*Deposit and Investment Risk Disclosures*" ("GASB 40"), the Authority's accounts are examined in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of bank failure, the Authority's deposits or investments may not be returned). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the Authority's name.

The types of securities which are permitted investments for Authority funds are established by New Jersey Statutes and the Authority's approved investment policy. All funds of the Authority may be invested in obligations of, or guaranteed by, the United States Government. In addition, certain funds of the Authority may be invested in: obligations of agencies of the U.S. government; obligations of, or guaranteed by, the State of New Jersey; collateralized certificates of deposit and repurchase agreements; commercial paper; and other securities which shall be authorized for the investment of funds in the custody of the Treasurer of the State of New Jersey.

The Authority has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act.

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**3. Deposits and Investments (Continued)**

**Cash and Cash Equivalents (Continued):**

Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**Investments:**

The Authority's investments consisted of U.S Treasury Securities, U.S. Treasury Notes, Repurchase Agreements, and Certificates of Deposit.

*Credit Risk* –GASB 40 requires credit risk disclosure for all debt security investments except for obligations of the U.S. government.

*Custodial Credit Risk* – For investments, custodial credit risk is the risk that in the event of the failure of the counter-party, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Authority.

The Authority manages custodial credit risk by limiting its investments to Repurchase Agreements, Certificates of Deposit and United States Treasury Securities.

The following is the detail of the balance of the Authority's investments as of December 31, 2023 and 2022.

Investment Type	Fair Value	2023		
		Level 1	Level 2	Level 3
Operating Fund:				
U.S. Treasury Securities	\$ 4,040,292	\$ 4,040,292	\$ -	\$ -
Repurchase Agreement	2,120,099	-	2,120,099	-
Certificates of Deposit	3,049,807	-	3,049,807	-
Total Operating Fund	<u>9,210,198</u>	<u>4,040,292</u>	<u>5,169,906</u>	<u>-</u>
Fiduciary Fund:				
U.S. Treasury Securities	321,681,780	321,681,780	-	-
Certificates of Deposit	318,794,378	-	318,794,378	-
Total Fiduciary Fund	<u>640,476,158</u>	<u>321,681,780</u>	<u>318,794,378</u>	<u>-</u>
Total Investments	<u>\$ 649,686,356</u>	<u>\$ 325,722,072</u>	<u>\$ 323,964,284</u>	<u>\$ -</u>



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**3. Deposits and Investments (Continued)**

**Investments (Continued):**

Investment Type	Fair Value	2022		
		Level 1	Level 2	Level 3
Operating Fund:				
U.S. Treasury Securities	\$ 4,040,292	\$ 4,040,292	\$ -	\$ -
Repurchase Agreement	2,057,493	-	2,057,493	-
Certificates of Deposit	2,445,094	-	2,445,094	-
Total Operating Fund	8,542,879	4,040,292	4,502,587	-
Fiduciary Fund:				
U.S. Treasury Securities	945,535	945,535	-	-
Certificates of Deposit	379,636	-	379,636	-
Total Fiduciary Fund	1,325,171	945,535	379,636	-
Total Investments	\$ 9,868,050	\$ 4,985,827	\$ 4,882,223	\$ -

The fiduciary fund investments are held in trust, with offsetting reserve accounts for the benefit of program participants and it is the intent of the Authority to hold all investments until their maturity.

GASB 72 established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under GASB 72 are:

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

Level 2 - Inputs to the valuation methodology include:

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

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**3. Deposits and Investments - (Continued)**

**Investments – (Continued):**

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

- *Repurchase Agreement*: Valued at the acquisition price as these assets are not traded and are held to maturity.
- *US Treasury Securities*: Valued at the closing price reported on the active market in which the security is traded. The U.S. Treasury Bills and Notes have a rating by S&P of AA to Aa.
- *Certificates of Deposit*: Valued at the acquisition price which equals fair value.

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

As of December 31, 2023, investments had the following maturities:

<u><b>Investment Maturities (in Years)</b></u>	<u><b>Amount</b></u>
Operating Fund:	
Less than 1	\$ 2,040,018
1 to 5	3,455,894
Greater than 5	3,714,286
Total Operating Fund	<u>9,210,198</u>
 Fiduciary Fund:	
Less than 1	<u>640,476,158</u>
Total Fiduciary Fund	<u>640,476,158</u>
 Total Investments	 <u><u>\$ 649,686,356</u></u>

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
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**4. Capital Assets**

Capital assets are stated at cost, which includes equipment acquisition costs and cost of construction, engineering, administrative and financial expenses, interest on bonds and notes during construction and organization expenses. Based upon the transfer of Roosevelt Care Center's title, the Authority recorded as contributed capital at December 31, 1999, the historical cost of the Center in the amount of \$33,418,754 along with accumulated depreciation of \$24,630,388 for a net contribution to capital in the amount of \$8,788,367. Also, on April 21, 2005, the County transferred the title of the new 180-bed facility in the amount of \$25,152,288 along with accumulated depreciation of \$1,227,070 for a net contribution to capital in the amount of \$23,925,218. Subsequently, operations in the historic Roosevelt Care Center building were transferred to the new facilities. The County of Middlesex has chosen to undertake a project concerning this historic property and the historic building and adjoining buildings were transferred to the County of Middlesex, effective September 10, 2014. Additionally, the County of Middlesex determined to acquire the "The Meadows at Middlesex Golf Course," located in Plainsboro Township, for the County's Open Space Program. As a result, the Meadows Golf Course was sold to the County of Middlesex for the sum of \$7,070,000, effective March 7, 2014. The funds inuring to the Authority as the result of the sale have been reserved to pay future years' debt service associated with the debt issued to purchase the Meadows at Middlesex Golf Course. During the year ended December 31, 2021, the Authority began the New Brunswick Parking Deck project. The project is ongoing and considered construction in progress through the years ended December 31, 2023 and 2022. The table below sets forth the capital asset activity for the year, including the transactions described above.

Net Investment in Capital Assets – Included in the Net Position section of the Statements of Net Position, is the account category "Net Investment in Capital Assets", which at December 31, 2023 and 2022 is reported at (\$50,714,419) and (\$50,401,723), respectively. The negative position of this account is a result of the recording of depreciation on the Heldrich Center project coupled with the non-payment by the Heldrich Center project of maturing bond principal and interest of the Center's CRDA loans and various series of its revenue bonds that were issued with respect to the project (See Note 16).

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**4. Capital Assets - (Continued)**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Business-type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 14,968,919	\$ 22,987,059	\$ -	\$ 37,955,978
Land	6,420,000	-	-	6,420,000
Total Capital Assets, Not Being Depreciated:	<u>21,388,919</u>	<u>22,987,059</u>	<u>-</u>	<u>44,375,978</u>
Capital Assets That Are Being Depreciated/Amortized:				
Furniture and Fixtures	6,340,550	-	-	6,340,550
Machinery and Equipment	378,657	32,347	(36,000)	375,004
Vehicles	262,589	64,069	-	326,658
Right-of-Use Asset - Office Space	736,407	-	-	736,407
Leasehold Improvements	9,286	-	-	9,286
Buildings	27,455,763	213,838	-	27,669,601
Heldrich Center	93,669,683	50,000	-	93,719,683
Total Capital Assets Being Depreciated/Amortized:	<u>128,852,935</u>	<u>360,254</u>	<u>(36,000)</u>	<u>129,177,189</u>
Less Accumulated Depreciation/Amortization for:				
Furniture and Fixtures	(6,300,057)	(30,128)	-	(6,330,185)
Machinery and Equipment	(301,962)	(29,129)	36,000	(295,091)
Vehicles	(180,425)	(36,103)	-	(216,528)
Right-of-Use Asset - Office Space	(223,718)	(111,859)	-	(335,577)
Leasehold Improvements	(9,066)	(146)	-	(9,212)
Buildings	(16,103,974)	(1,078,960)	-	(17,182,934)
Heldrich Center	(36,647,750)	(2,342,992)	-	(38,990,742)
Total Accumulated Depreciation/Amortization	<u>(59,766,952)</u>	<u>(3,629,317)</u>	<u>36,000</u>	<u>(63,360,269)</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>69,085,983</u>	<u>(3,269,063)</u>	<u>-</u>	<u>65,816,920</u>
Net Capital Assets	<u>\$ 90,474,902</u>	<u>\$ 19,717,996</u>	<u>\$ -</u>	<u>\$ 110,192,898</u>

Capital asset activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Business-type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 3,732,765	\$ 11,236,154	\$ -	\$ 14,968,919
Land	6,220,000	200,000	-	6,420,000
Total Capital Assets, Not Being Depreciated:	<u>9,952,765</u>	<u>11,436,154</u>	<u>-</u>	<u>21,388,919</u>
Capital Assets That Are Being Depreciated/Amortized:				
Furniture and Fixtures	6,340,550	-	-	6,340,550
Machinery and Equipment	378,657	-	-	378,657
Vehicles	191,848	70,741	-	262,589
Right-of-Use Asset - Office Space	736,407	-	-	736,407
Leasehold Improvements	9,286	-	-	9,286
Buildings	22,163,602	5,292,161	-	27,455,763
Heldrich Center	93,619,683	50,000	-	93,669,683
Total Capital Assets Being Depreciated/Amortized:	<u>123,440,033</u>	<u>5,412,902</u>	<u>-</u>	<u>128,852,935</u>
Less Accumulated Depreciation/Amortization for:				
Furniture and Fixtures	(6,262,612)	(37,445)	-	(6,300,057)
Machinery and Equipment	(270,731)	(31,231)	-	(301,962)
Vehicles	(159,811)	(20,614)	-	(180,425)
Right-of-Use Asset - Office Space	(111,859)	(111,859)	-	(223,718)
Leasehold Improvements	(8,268)	(798)	-	(9,066)
Buildings	(15,248,316)	(855,658)	-	(16,103,974)
Heldrich Center	(34,302,758)	(2,344,992)	-	(36,647,750)
Total Accumulated Depreciation/Amortization	<u>(56,364,355)</u>	<u>(3,402,597)</u>	<u>-</u>	<u>(59,766,952)</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>67,075,678</u>	<u>2,010,305</u>	<u>-</u>	<u>69,085,983</u>
Net Capital Assets	<u>\$ 77,028,443</u>	<u>\$ 13,446,459</u>	<u>\$ -</u>	<u>\$ 90,474,902</u>

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**4. Capital Assets - (Continued)**

Depreciation and amortization is calculated on a straight-line basis for each of applicable capital asset categories.

Furniture and Fixtures	5 years
Machinery and Equipment	7 years
Vehicles	5 years
Right-of-Use Asset – Office Space	79 months
Leasehold Improvements	5 years
Recreation Equipment	5 years
Golf Courses	5 years
Buildings	10-25 years
Heldrich Center	40 years

**5. Net Investment in Capital Lease and Improvement Programs**

Minimum payments from participants are equal to the annual debt service of the outstanding bonds. These programs are accounted for as direct financing leases and loans. The unearned income represents the corresponding cost to be incurred in connection with the purchase, acquisition and installation of equipment and improvements identified in the program. The net investment in the capital lease and improvement programs represents the cost of the capital equipment and improvements.

	<u>2023</u>	<u>2022</u>
Total minimum lease payment to be received	\$ 43,671,390	\$ 59,618,837
net accounts receivable/(unearned income)	<u>(3,219,131)</u>	<u>(5,351,458)</u>
Net investment in capital lease and improvement programs	<u>\$ 40,452,259</u>	<u>\$ 54,267,379</u>

Future minimum lease payments receivable:

<u>Year</u>	<u>Amount</u>
2024	\$ 11,877,324
2025	9,227,226
2026	5,765,410
2027	5,352,848
2028	5,064,623
Thereafter	<u>3,164,828</u>
	<u>\$ 40,452,259</u>

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**6. Long-Term Liabilities**

During the year ended December 31, 2023, the following changes occurred in long-term liabilities.

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Debt and Debt Related Liabilities:</b>				
Revenue bonds payable	\$ 199,426,302	\$ 9,420,923	\$ 20,891,343	\$ 187,955,882
Loans payable	20,000,000			20,000,000
Unamortized premium	25,266,975	391,588	7,450,555	18,208,008
Total debt and debt related liabilities	<u>244,693,277</u>	<u>9,812,511</u>	<u>28,341,898</u>	<u>226,163,890</u>
<b>Other Liabilities:</b>				
Lease	540,497	32,348	113,333	459,512
Compensated Absences	328,321	40,584		368,905
Reserve for COBRA/Workers Comp Insurance	685,817	50,394		736,211
Post-employment health benefits liability	180,592,228	16,285,439		196,877,667
Net pension liability	26,307,660		1,877,685	24,429,975
Reserve for proceeds, acquisitions and refunding escrow	234,193	638,781		872,974
Funds held in trust	13,708,018	473,439		14,181,457
Total other liabilities	<u>222,396,734</u>	<u>17,520,985</u>	<u>1,991,018</u>	<u>237,926,701</u>
Total long-term liabilities	<u>\$ 467,090,011</u>	<u>\$ 27,333,496</u>	<u>\$ 30,332,916</u>	<u>\$ 464,090,591</u>
Current portion	<u>\$ 36,455,259</u>			<u>\$ 34,118,379</u>

During the year ended December 31, 2022, the following changes occurred in long-term liabilities.

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Debt and Debt Related Liabilities:</b>				
Revenue bonds payable	\$ 204,212,634	\$ 15,281,921	\$ 20,068,253	\$ 199,426,302
Loans payable	20,000,000			20,000,000
Unamortized premium	24,598,769	1,113,684	445,478	25,266,975
Total debt and debt related liabilities	<u>248,811,403</u>	<u>16,395,605</u>	<u>20,513,731</u>	<u>244,693,277</u>
<b>Other Liabilities:</b>				
Lease	647,459		106,962	540,497
Compensated Absences	358,918		30,597	328,321
Reserve for COBRA/Workers Comp Insurance	907,488		221,671	685,817
Post-employment health benefits liability	203,313,471		22,721,243	180,592,228
Net pension liability	22,985,491	3,322,169		26,307,660
Reserve for proceeds, acquisitions and refunding escrow	182,726	51,467		234,193
Funds held in trust	13,606,905	101,113		13,708,018
Total other liabilities	<u>242,002,458</u>	<u>3,474,749</u>	<u>23,080,473</u>	<u>222,396,734</u>
Total long-term liabilities	<u>\$ 490,813,861</u>	<u>\$ 19,870,354</u>	<u>\$ 43,594,204</u>	<u>\$ 467,090,011</u>
Current portion	<u>\$ 33,270,987</u>			<u>\$ 36,455,259</u>

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**6. Long-Term Liabilities – (Continued)**

**Revenue Bonds and Loans Payable**

The Authority's revenue bonds and loans payable at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Utility System Revenue Bonds, Perth Amboy Franchise Acquisition Project, \$24,469,076.20, Series B Capital Appreciation Bonds, City- Guaranteed, maturing serially from 2015 through 2026, at interest rates from 5.030% to 5.18%	\$ 4,169,275	\$ 6,227,752
Perth Amboy Lease & Franchise Extension Project Revenue Bonds, Series 2004, City-Guaranteed, maturing serially through 2034, at interest rates from 5.14% to 6.67%	12,106,578	12,873,418
Heldrich Hotel/Conference Project Revenue Bonds, Series 2005, maturing serially through 2037, at interest rates from 4.95% to 8.75%	62,855,000	62,855,000
Heldrich Center Hotel/Conference Project Senior Revenue Bonds, Series 2007, maturing serially through 2037, at an interest rate of 8.750 %	1,805,000	1,805,000
Capital Equipment and Improvement Revenue Bonds \$13,100,000, Series 2008, County-Guaranteed, maturing serially through 2023, at interest rates from 3.500% to 4.80%	-	60,000
Capital Equipment and Improvement Revenue Bonds \$1,535,517, Series 2009, County-Guaranteed, maturing serially through 2024, at interest rates from 1.000% to 3.25%	123,466	243,949
Meadows at Middlesex Golf Course Refunding Bonds \$4,755,000, Series 2009, County-Guaranteed, maturing serially through 2024, at interest rates from 2.000% to 4.00%	440,000	865,000
Open Space Trust Fund Refunding Revenue Bonds, \$46,830,000, Series 2011, County-Guaranteed, maturing serially through 2023, at interest rates from 3.000% to 5.00%	-	5,715,000
Middlesex County Golf Courses Revenue Refunding Bonds, Series 2013, County-Guaranteed, maturing serially through 2029, at interest rates from 2.000% to 4.716%	5,480,000	6,270,000
Open Space Trust Fund Refunding Revenue Bonds, \$19,160,000 Series 2016, County-Guaranteed, maturing serially through 2029, at interest rates from 2.125% to 5.00%	14,945,000	17,095,000

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**6. Long-Term Liabilities – (Continued)**

**Revenue Bonds and Loans Payable – (Continued)**

	<b>2023</b>	<b>2022</b>
Capital Equipment and Improvement Revenue Bonds \$5,182,564, Series 2018, County-Guaranteed, maturing serially through 2023, at interest rate of 4.000%	\$ -	\$ 1,208,611
Capital Equipment and Improvement Revenue Bonds \$6,719,047, Series 2019, County-Guaranteed, maturing serially through 2024, at interest rate of 4.000%	1,444,253	2,832,959
Capital Equipment and Improvement Revenue Bonds \$13,620,122, Series 2020, County-Guaranteed, maturing serially through 2025, at interest rates of 2.000% to 5.000%	5,675,350	8,363,178
Capital Equipment and Improvement Revenue Bonds \$9,042,037, Series 2021, County-Guaranteed, maturing serially through 2026, at interest rate of 5.000%	5,655,860	7,364,514
City of New Brunswick Parking Deck Project Bond \$50,365,000, Series 2021, County-Guaranteed, maturing serially through 2051, at an interest rate of 4.000% to 5.000%	50,365,000	50,365,000
Carteret Project Parking Revenue Bond \$5,505,000, Series 2022, County-Guaranteed, maturing serially through 2052, at an interest rate of 5.000%	5,505,000	5,505,000
Capital Equipment and Improvement Revenue Bonds \$9,776,921, Series 2022, County-Guaranteed, maturing serially through 2027, at an interest rate of 5.000%	7,965,177	9,776,921
Capital Equipment and Improvement Revenue Bonds \$9,420,923, Series 2023, County-Guaranteed, maturing serially through 2028, at an interest rate of 5.000%	9,420,923	-
Subtotal - Bonds and Notes Payable	187,955,882	199,426,302
<u>Loans Payable:</u>		
Casino Reinvestment Development Authority Loans - 2005 payable serially 2011 through 2031 at 3.821% interest rate	15,000,000	15,000,000
	5,000,000	5,000,000
Subtotal Loans Payable	20,000,000	20,000,000
Subtotal Bonds, Notes and Loans Payable	207,955,882	219,426,302
Unamortized Bond Discounts/Premiums - Net	18,208,008	25,266,975
Total Debt and Debt Related Liabilities	\$ 226,163,890	\$ 244,693,277



**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
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**Years Ended December 31, 2023 and 2022**

**6. Long-Term Liabilities – (Continued)**

**Revenue Bonds and Loans Payable – (Continued)**

Remaining principal and interest payments on revenue bonds payable outstanding are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 27,518,847	\$ 46,919,945	\$ 74,438,792
2025	16,775,929	10,630,921	27,406,850
2026	15,023,477	9,802,134	24,825,611
2027	12,274,288	5,823,264	18,097,552
2028	10,791,552	5,271,418	16,062,970
2029-2033	35,012,551	21,169,392	56,181,943
2034-2038	31,934,238	12,550,527	44,484,764
2039-2043	11,760,000	6,999,300	18,759,300
2044-2048	15,355,000	4,312,250	19,667,250
2049-2053	11,510,000	993,350	12,503,350
	<u>\$ 187,955,882</u>	<u>\$ 124,472,501</u>	<u>\$ 312,428,383</u>

**7. Middlesex County Utilities Authority Operating Agreement**

On July 1, 1994, the Middlesex County Improvement Authority (MCIA) entered into a one-year renewable agreement with the Middlesex County Utilities Authority (MCUA) allowing operation of an Interim Bulky Waste Recycling Program (BWRP) on a portion of the Middlesex County Landfill by the Improvement Authority. This agreement, in its original form, remained in place until 1997.

Under this agreement, MCUA was responsible for filing all required applications and submissions and obtaining all required permits for the operation of the landfill and the BWRP for applicable state, county and municipal agencies, for all billing and collection of tipping fees including applicable landfill taxes imposed by law for each ton of waste entering the landfill.

The MCUA was then obligated to remit \$21.00 per ton of Bulky Waste (ID-13) to the Improvement Authority following the end of each month. Any revenue generated from the marketing of materials from the Bulky Waste Recycling Operation was the property of the MCIA.

The MCIA is responsible for providing adequate management personnel to operate and maintain the BWRP and to ensure all plans, licenses and regulations are followed.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
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**7. Middlesex County Utilities Authority Operating Agreement – (Continued)**

Under the same agreement, the Improvement Authority had entered into an operating lease with the Utilities Authority for equipment, equipment maintenance and insurance in the amount of \$30,630 per month.

On January 1, 1998, entering into a one-year agreement with the option to be extended by both parties for three additional one-year periods amended the original agreement.

In addition to the amended operating agreement, on January 1, 1998, the MCUA and MCIA entered into a three-year agreement whereby MCUA will pay to the MCIA \$1.85 per ton for all waste deposited at the Middlesex County Landfill which it collects from municipalities and haulers. This requirement supersedes the payment of \$21.00 per ton of Bulky Waste stipulated in the previous agreement.

The operating agreement between the MCIA and the MCUA was renewed on January 1, 2005 for a period of five calendar years terminating in 2009. Under the terms of this Interlocal Service Agreement, the MCUA will pay to the MCIA a flat annual fee of \$2,000,000. In addition, the MCIA will receive a portion of the MCUA Solid Waste Services Fee in the amount of \$3.00 per ton collected on all waste entering the landfill and \$3.00 per ton for all waste transported out of Middlesex County as reported and paid by solid waste haulers. In exchange, MCIA has agreed to use the amounts received to provide for recycling activities and effectively manage, operate and maintain the recycling activities in an efficient and environmentally responsible manner.

Under the terms of the renewal agreement, the MCUA will continue to lease heavy equipment to the MCIA, at no cost, for landfill recycling activities.

On January 1, 2010, entering into a five-year agreement, the MCUA pays the MCIA \$5.00 per ton for all waste collected at the Middlesex County Landfill which it collects from municipalities and haulers. The MCUA will pay a sum of \$6.00 per ton in 2012 and 2013 for all waste transported out of Middlesex County as reported and paid by solid waste haulers. In exchange, MCIA has agreed to use the fee from the MCUA for expenses it incurs with regard to the County Recycling Programs and shared services program in order to be able to reduce costs of the municipalities for the County Recycling Programs, to reduce the volume of material going to the Landfill, and for expenses incurred by the MCIA related to associated activities. On January 1, 2015, entering into a five-year agreement, the MCUA agrees to contribute funds annually to the MCIA to be used to assist the MCIA in funding the County Recycling Programs and other solid waste and recycling programs beneficial to both agencies. The agreement was not renewed after the termination date, however the Authority and MCUA continue to operate under the same terms of the expired agreement.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
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**8. Roosevelt Care Center Facilities**

The Roosevelt Care Center, Edison facility, is a 530-bed long-term healthcare facility (“Roosevelt Care Center”, the “Facility” or the “Center”) owned by the County of Middlesex (the “County”). In June 1997, the County, through the Authority, implemented a public/private partnership undertaking for the effective and efficient operation of the Facility.

Pursuant to a lease and agreement dated June 14, 1997 between the County and the Authority (the “Lease Agreement”), the County leased to the Authority, for a nominal fee, the Facility’s real and personal property and other related records for a period of ten years, which may be extended to the maximum term permitted under the law. The Lease Agreement obligates the Authority to provide, either directly or by contract, for the long-term management, administration, operation and maintenance services (the “Management Services”) for the Roosevelt Care Center. The Lease Agreement also required the Authority to assume substantially all of the personnel employed by the County at the Roosevelt Care Center (the “Roosevelt employees”). Subsequently, on May 6, 1999, the Board of Chosen Freeholders adopted a resolution authorizing the transfer of ownership of the Center from the County to the Authority. On November 15, 1999, the Board of Chosen Freeholders adopted a resolution affirming the sale of the Roosevelt Care Center to the Authority. Agreements and contracts authorizing the transfer of lands and buildings were executed on January 19, 2000 and title of the property was transferred to the Authority. Subsequent to the initial transfer of the Center to the Authority, the Center was managed via a series of management agreements with third-party vendors. Effective October 1, 2002, the MCIA is operating the Center utilizing Authority personnel. Additionally, as per resolutions adopted by both the County of Middlesex and the Authority, an Interagency Agreement was made effective February 9, 2011 for the Authority to own and hold the license to operate a new 180-bed long-term care facility constructed by the County of Middlesex located in the Township of Old Bridge. Roosevelt Care Center in Old Bridge began operations in the later part of 2011.

Roosevelt Care Center facilities reviews its accounts receivable with corresponding adjustments to revenue reported on a periodic basis. The facilities had patient’s receivable recorded at year-end in the amounts of \$5,981,683 and \$4,941,075 for the years 2021 and 2020, respectively. As a result of the transfer of the Center’s title for the Edison facility, the Authority recorded as contributed capital the historical cost of the Center in the amount of \$33,418,754 along with accumulated depreciation of \$24,630,388 for a net contribution to capital in the amount of \$8,788,367. Also, with the transfer of title of the 180-bed facility also on the Edison campus, the amount of \$25,152,288 is recorded as contributed capital. As indicated above, operations in the historic Roosevelt Care Center building were transferred to new facilities and the County of Middlesex desired to undertake a project concerning the historic property, resulting in the transfer of the historic building and adjoining buildings to the County of Middlesex, effective September 10, 2014. The Authority’s financial statements reflect the capital asset activity based upon this transfer.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**9. Pension Plans**

*Description of Plan*

The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees' Retirement System (PERS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

*Public Employees' Retirement System*

The Public Employees' Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers* - Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
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**9. Pension Plans – (Continued)**

Membership and contributing employers of the defined benefit pension plan consisted of the following at June 30, 2023 and 2022:

	2023	2022
Inactive plan members or beneficiaries currently receiving benefits	191,119	187,372
Inactive plan members entitled to but not yet receiving benefits	580	1,782
Active plan members	241,151	239,902
Total	432,850	429,056
Contributing Employers –	1,691	1,683

For the year ended December 31, 2023 and 2022 the Authority’s covered payroll for all employees was \$12,839,649 and \$12,501,983. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Authority to active employees covered by the Plan.

*Specific Contribution Requirements and Benefit Provisions* – The contribution policy is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate was 7.50% in State fiscal year 2022 and State fiscal year 2023. Employers’ contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Funding or noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State’s pension contribution was less than the actuarially determined amount.

The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Authority contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

It is assumed that the Local employers will contribute 100% of their actuarially determined contribution and 100% of their Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution. It is assumed that the State will contribute 70% of its actuarially determined contribution and NCGIPF contribution. The 70% contribution rate is the actual State contribution rate paid in fiscal year ending June 30, 2023 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2023 for all State administered retirement systems.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
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**9. Pension Plans – (Continued)**

The Authority’s contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. The Authority’s payments to PERS during the years ending December 31, 2023 and 2022 consisted of the following:

	2023	2022
Total Regular Billing	\$2,198,290	\$2,272,290

The Authority recognizes liabilities to PERS and records expenses for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 on or after November 1, 2009 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

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 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 tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members 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 retirement age of his/her 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.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
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**9. Pension Plans – (Continued)**

*Special Funding Situation* – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – At June 30, 2023, the PERS reported a collective net pension liability of \$14,484,374,047 for its Non-State Employer Member Group. The Authority's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Authority was \$24,429,975 or 0.1686643490%, which was a decrease of 0.0056581163% from its proportion measured as of June 30, 2022.

At June 30, 2022, the PERS reported a collective net pension liability of \$15,091,376,611 for its Non-State Employer Member Group. The Authority's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Authority was \$26,307,660 or 0.1743224653%.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**9. Pension Plans – (Continued)**

At December 31, 2023 and 2022, the Authority's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

	<b>2023</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 233,582	\$ 99,862
Changes of assumptions	53,668	1,480,561
Net difference between projected and actual investment earnings on pension plan investments	112,503	-
Changes in proportion	-	5,882,228
Authority contributions subsequent to the measurement date	1,127,123	-
	<b>\$ 1,526,876</b>	<b>\$ 7,462,651</b>
	<b>2022</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 189,877	\$ 167,444
Changes of assumptions	81,509	3,939,298
Net difference between projected and actual investment earnings on pension plan investments	1,088,850	-
Changes in proportion	-	8,157,190
Authority contributions subsequent to the measurement date	1,099,145	-
	<b>\$ 2,459,381</b>	<b>\$ 12,263,932</b>

\$1,127,123 is reflected above as deferred outflows of resources resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2024. 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 ended December 31,	Amount
2024	\$ (3,727,944)
2025	(2,942,120)
2026	57,548
2027	(435,377)
2028	(15,005)
Total	<b>\$ (7,062,898)</b>



**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
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**9. Pension Plans – (Continued)**

*Actuarial Assumptions* – The total pension liability in the June 30, 2023 and June 30, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>June 30, 2023 and 2022</u>	
Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 - 6.55%
	based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Disability retirement rates used to value 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-2021.

The actuarial assumptions used in the July 1, 2022 valuations were based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2022. It is likely that future experiences will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 and 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 and 2022 are summarized in the following table:

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**9. Pension Plans – (Continued)**

2023		
Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

2022		
Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

*Discount Rate* – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
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**9. Pension Plans – (Continued)**

*Sensitivity of Net Pension Liability* – the following presents the Authority’s proportionate share of the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

**June 30, 2023**

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PERS	\$ 31,802,630	\$ 24,429,975	\$ 18,154,871

**June 30, 2022**

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PERS	\$ 33,797,637	\$ 26,307,660	\$ 19,933,388

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2023 and 2022 were \$34,831,652,936 and \$32,568,122,309, respectively. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2023 and 2022 was \$27,400,438,440 and \$25,810,084,045, respectively.

*Additional information*

Collective Local Group balances at June 30, 2023 are as follows:

Collective deferred outflows of resources	\$ 1,080,204,730
Collective deferred inflows of resources	1,780,216,457
Collective net pension liability	14,606,489,066
Authority's Proportion	0.1686643490%

Collective Local Group pension expense for the Local Group for the measurement period ended June 30, 2023 and 2022 was (\$79,181,803) and \$(1,032,778,934), respectively. The average of the expected remaining service lives of all plan members is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
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**9. Pension Plans – (Continued)**

**State Contribution Payable Dates**

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30<sup>th</sup>, at least 50% by December 31<sup>st</sup>, at least 75% by March 31<sup>st</sup>, and 100% by June 30<sup>th</sup>. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

**Receivable Contributions**

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2023 and June 30, 2022 are \$1,354,892,653 and \$1,288,683,017, respectively.

**Special Funding Situation**

The Authority is responsible for the actuarially determined annual contributions to the PERS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PERS. The State of New Jersey, as a non-employer is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this relationship as a "special funding situation", and the State of New Jersey is defined as a non-employer contributing entity.

Unaudited data provided by the PERS indicates that the total non-employer contributions made to the PERS by the State for the year ended June 30, 2023 was \$61,366,036. The portion of that contribution allocated to the Authority in 2023 was \$76,188 or 0.1693047173%. The June 30, 2023 State special funding situation pension expense of \$55,672,746 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at \$122,115,019 at June 30, 2023 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The Authority's allocated shares of the special funding situation pension expense for the year ended June 30, 2023 and 2022 was \$76,188 and \$55,352 and its share of the special funding situation Net Pension Liability at those dates was \$0.

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**10. Post-Employment Benefits Other than Pensions**

The Authority provides health benefits through the Middlesex County Joint Health Insurance Fund to certain retirees and their dependents, as follows:

Retired employees pay the full cost of coverage under the Plan, in most cases. However, the former employer may assume that cost if the retired employee meets certain requirements. If the retired employee is paying the full cost of coverage, the monthly premiums will be billed to such retired employee on a monthly basis or as otherwise established by the Middlesex County Joint Health Insurance Fund. The Plan Sponsor has agreed to pay retiree coverage if:

1. the retiree receives retirement benefits from a State of New Jersey administered retirement system; and,
2. he or she has 25 or more years of service credited in that retirement system and the last 10 years of service were with the Authority or was a participant in a State of New Jersey Early Retirement Incentive Program; or
3. he or she retired on an approved disability retirement (regardless of years of service) in that retirement system;
4. the employer has agreed to pay for coverage of a surviving spouse of a retiree who qualified under the provision listed above until the retiree's death.

At December 31, 2023, approximately 20 retirees, from the Authority and Roosevelt Care Center, were receiving non-contributory health coverage benefits at an estimated annual cost to the County of approximately \$6,238,905.

At December 31, 2022, approximately 20 retirees, from the Authority and Roosevelt Care Center, were receiving non-contributory health coverage benefits at an estimated annual cost to the County of approximately \$6,005,772.

The Authority participates in the Middlesex County Joint Health Insurance Fund (MCJHIF), an agent multiple-employer current and postemployment healthcare plan administered by MCJHIF. The MCJHIF consists of seven (7) County agencies within Middlesex County and covers both current and retired employees of the County and its participating agencies. The MCJHIF receives an annual report that includes its financial statements and required supplementary information for its benefits plan. Benefit provisions for the Authority are established and amended through negotiations between the Authority and the respective unions along with prior contracts negotiated between the respective unions and the Authority.

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
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**10. Post-Employment Benefits Other than Pensions – (Continued)**

The contribution requirements of plan members and the participating agencies are established and may be amended by the MCJHIF Commissioners. The Authority’s annual postemployment benefit (OPEB) cost (expense) is calculated based on amounts actuarially determined in accordance with the requirements of GASB Statement No. 75.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health-care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Benefits projections for financial reporting purposes are based on the substantive plan and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Employees covered by benefit terms:

At December 31, 2023 and December 31, 2022, the following employees were covered by the benefit terms:

	<u>2023</u>	<u>2022</u>
Active participants	263	263
Inactive participants	395	395
	658	658

Summary of Postretirement Welfare (Health) Benefits:

A. Eligibility

Premium Free -

Post-retirement medical benefits are provided to employees who:

Retire with 25 years of service in the New Jersey State Retirement System and the last 10 years of service were with the Authority;

Retire under a disability retirement;

Were members in the retirement system as of August 29, 1985 and were forced to retire by mandatory retirement at age 55 with less than 25 years of service.

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**10. Post-Employment Benefits Other than Pensions – (Continued)**

Direct Bill –

Employees who do not meet the above requirements and retire after age 60 may purchase coverage for themselves and their dependents through direct billing.

Dependents –

Dependents of Premium Free and Direct Bill retirees are covered until the death of the retiree.

Dependent spouses may continue coverage through direct billing upon the death of the retiree.

B. Medical Benefits

Medical benefits are provide through plans offered by the Middlesex County Joint Health Insurance Fund. Summaries of these plans are included in Appendix 4. Retirees can change plans at Open Enrollment. Members who become Medicare eligible must enroll in Medicare Part A and Part B in order to maintain eligibility for coverage. The Authority reimburses Part B premiums for retirees with 25 years of service.

C. Death

No death benefits are provided for retirees.

D. Dental

Dental benefits are available until age 65 or for 18 months, whichever comes first, for retirees to purchase. Retirees pay 100% of the premium.

E. Contributions

Current retirees and dependents are not required to contribute toward the cost of the postretirement medical and prescription drug coverage. All costs are paid 100% by the Authority. Any employee who retirees after satisfying the eligibility requirements who had less than 15 years of service in PERS as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retiree contributions are based on a percentage of the postretirement healthcare cost. The contribution percentages vary based on healthcare coverage tier and amount of PERS or PFRS pension amounts.

F. Medicare

The Authority reimburses retirees with 25 years of service for Medicare Part B premium charges. The Authority receives a subsidy from Medicare for providing prescription drug coverage to retirees.

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**10. Post-Employment Benefits Other than Pensions – (Continued)**

Changes in the Total OPEB Liability	<u>2023</u>	<u>2022</u>
Total OPEB liability at beginning of year	\$ 180,592,228	\$ 203,313,471
Changes for the year:		
Service cost	3,178,767	6,674,971
Interest cost	6,720,331	4,263,904
Benefits payments	(6,238,905)	(6,005,772)
Actuarial assumption changes	12,625,246	(50,955,206)
Actuarial demographic loss	-	23,300,860
Net Changes	<u>16,285,439</u>	<u>(22,721,243)</u>
Total OPEB liability at end of year	<u>\$ 196,877,667</u>	<u>\$ 180,592,228</u>
Changes in plan fiduciary net position during year	<u>2023</u>	<u>2022</u>
Fair value of plan assets at beginning of year	\$ -	\$ -
Changes for the year:		
Employer contributions	6,238,905	6,005,772
Benefit payments	<u>(6,238,905)</u>	<u>(6,005,772)</u>
Net Changes	<u>-</u>	<u>-</u>
Fair value of plan assets at end of year	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability at end of year	<u>\$ 196,877,667</u>	<u>\$ 180,592,228</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%
Covered-employee payroll	\$ 17,429,803	\$ 16,820,674
Total OPEB liability as a percentage of covered-employee payroll	1129.55%	1073.63%

Total employer contributions for the retiree plan were for benefit payments and there were no fiduciary plan assets at the beginning or end of the year.

Benefit assumptions are based upon blended plan rates to produce annual composite rates. The annual per capita cost for Medicare Part B premium for 2023 and 2022 is \$1,979. Salary increases are scheduled at 3% per year. Retiree contributions assumes the cost for current Premium Free retirees and their dependents is 100% paid by the Authority prior to the application of Chapter 78. Direct Bill retirees and their dependents pay 100% of the costs to continue medical coverage.



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**10. Post-Employment Benefits Other than Pensions – (Continued)**

In accordance with local Finance Notice 2007-15 issued by the New Jersey Department of Community Affairs, the County demographic and health care assumptions utilized are consistent with the assumptions used by the New Jersey Division of Pensions and Benefits and the State Health Benefits Plan as reported in their June 30, 2023 Actuarial Valuation to value the GASB obligations.

The actuary for the plan used the “20-Bond GO Index” to establish a discount rate of 3.26% at December 31, 2023 and 3.72% at December 31, 2022. Inflation is assumed at 2.50% per year.

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

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

	December 31, 2023		
	1% Decrease (2.26%)	At Discount Rate (3.26%)	1% Increase (4.26%)
Total Net OPEB Liability	\$ 228,940,119	\$ 196,877,667	\$ 170,877,301

  

	December 31, 2022		
	1% Decrease (2.72%)	At Discount Rate (3.72%)	1% Increase (4.72%)
Total Net OPEB Liability	\$ 209,598,829	\$ 180,592,228	\$ 157,044,919

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

The following presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability	\$ 167,927,819	\$ 196,877,667	\$ 233,237,399

  

	December 31, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability	\$ 155,891,026	\$ 180,592,228	\$ 211,379,638

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**10. Post-Employment Benefits Other than Pensions – (Continued)**

At December 31, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	December 31, 2023	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Demographic experience different than expected	\$ 15,198,602	\$ 11,811,105
Changes of assumptions	19,039,658	33,233,930
	\$ 34,238,260	\$ 45,045,035
	December 31, 2022	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Demographic experience different than expected	\$ 19,915,661	\$ 20,745,975
Changes of assumptions	16,243,365	45,796,329
	\$ 36,159,026	\$ 66,542,304

Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending	Amount
2024	\$ (3,203,741)
2025	(5,325,734)
2026	(2,518,522)
2027	(1,406,774)
2028	1,647,996
Total	\$ (10,806,775)

The actuarial cost method used to determine the plan's cost is the Entry Age Normal Cost Method. Under the entry age normal cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The Service Cost is the portion of this actuarial present value allocated to a valuation year. The Total Pension Liability is the portion of this actuarial present value not provided for at the valuation date by the actuarial present value of future service costs. The plan is currently unfunded.

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**10. Post-Employment Benefits Other than Pensions – (Continued)**

*Actuarial Assumptions and Other Inputs:*

A full actuarial valuation was performed based on census data as of December 31, 2022, premium information as of January 1, 2023, measured as of December 31, 2023 for a reporting date of December 31, 2023. The total OPEB liability as of December 31, 2022 was determined by a full actuarial valuation was performed based on census data as of December 31, 2022, premium information as of January 1, 2023, measured as of December 31, 2022 for a reporting date of December 31, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement as of December 31, 2021 and 2020:

Inflation rate	2.50%
Salary Increase	3.00% per year

December 31, 2023:

Mortality:

Pre-Retirement: Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full Dataset – Headcount-Weighted Healthy Employee Male/Female Mortality, projected generationally with MP-2021

Post-Retirement: Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full Dataset – Headcount-Weighted Healthy Retiree Male/Female Mortality, projected generationally with MP-2021

Disabled: Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full Dataset – Headcount-Weighted Disabled Retiree Male/Female Mortality, projected generationally with MP-2021

Contingent Survivor: Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full Dataset – Headcount-Weighted Contingent Survivor Male/Female Mortality, projected generationally with MP-2021

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**10. Post-Employment Benefits Other than Pensions – (Continued)**

December 31, 2022:

Mortality:

Pre-Retirement: Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full Dataset – Headcount-Weighted Healthy Employee Male/Female Mortality, projected generationally with MP-2020

Post-Retirement: Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full Dataset – Headcount-Weighted Healthy Retiree Male/Female Mortality, projected generationally with MP-2020

Disabled: Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full Dataset – Headcount-Weighted Disabled Retiree Male/Female Mortality, projected generationally with MP-2020

Contingent Survivor: Pub-2010 Public Retirement Plans Mortality Tables – General Employee – Full Dataset – Headcount-Weighted Contingent Survivor Male/Female Mortality, projected generationally with MP-2020

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

Healthcare Trend Assumptions:

For pre-Medicare medical benefits, the trend is initially 5.45% and decreases to a 4.50% long-term trend rate after five years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 are reflected. The assumed post-65 medical trend ranges from 0.17% to 15.23% for all future years. For prescription drug benefits, the initial trend rate is 6.25% and decreases to a 4.50% long-term trend rate after five years.

Discount Rate:

The discount rate for December 31, 2023 and 2022 was 3.26% and 3.72%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/AAa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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**11. Compensated Absences**

The Authority has adopted policies which set forth the terms under which an employee may accumulate earned, but unused vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vest with the employee. GASB Statement 16 provides the authoritative source of GAAP recognition and reporting of the accrued liability for compensated absences and provides alternatives for the purpose of calculating the accrued liability. The Authority maintains up-to-date records of each employee's status relating to earned and unused sick and vacation pay.

At December 31, 2023 and 2022, the Authority has accrued \$368,905 and \$328,321, respectively, for accumulated sick and vacation pay earned and unused and management indicates the accrued liability approximates the value of the liability calculated in accordance with the provisions of GASB Statement No. 16.

**12. Leases**

The Authority is a lessee for a noncancellable lease of office space, copy machines and a postage machine. The Authority recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the financial statements.

At commencement of a lease, the Authority initially measures the lease liability at the value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include:

Discount Rate	The Authority uses the interest rate charged by the lessor as indicated in the agreement. When the interest rate charged by the lessor is not provided the Authority generally uses its estimated incremental borrowing rate as the rate for leases.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the Authority is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

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**12. Leases – (Continued)**

The Authority entered into noncancelable leases with various third parties. Current lease activities include the right-to-use office space and other equipment. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liabilities are composed of fixed payments and the Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. The Authority's leases have interest rates that range from 3.73% to of 5.16%.

The Authority leases office premises under a lease agreement that commenced August 25, 1994. The lease agreement was amended August 24, 1998, which amendment included the rental of additional office space and the extension of the lease period to July 31, 2023. The lease agreement was amended again in December 2022 to extend the lease period to July 31, 2027. An initial lease liability was recorded in the amount of \$736,407 at December 31, 2020, which was the date of the implementation of GASB Statement No. 87. The value of the right of use asset as of December 31, 2023 was \$736,407 with accumulated amortization of \$335,577. The value of the right of use asset as of December 31, 2022 was \$736,407 with accumulated amortization of \$223,719.

On May 1, 2018, the Authority entered into a lease for a copier from May 1, 2018 to April 30, 2026. An initial lease liability for the copier was recorded in the amount of \$8,384 at December 31, 2020, which was the date of the implementation of GASB Statement No. 87. The value of the right of use asset as of December 31, 2023 was \$8,384 with accumulated amortization of \$4,716. The value of the right of use asset as of December 31, 2022 was \$8,384 with accumulated amortization of \$3,144.

On January 1, 2019, the Authority entered into a lease for a postage machine from January 1, 2019 to December 31, 2023. An initial lease liability for the postage machine was recorded in the amount of \$2,185 at December 31, 2020, which was the date of the implementation of GASB Statement No. 87. The value of the right of use asset as of December 31, 2023 was \$2,185 with accumulated amortization of \$2,185. The value of the right of use asset as of December 31, 2022 was \$2,185 with accumulated amortization of \$819.

On June 1, 2023, the Authority entered into a lease for a copier from June 1, 2023 to June 30, 2027. An initial lease liability for the copier was recorded in the amount of \$32,347. The value of the right of use asset as of December 31, 2023 was \$32,347 with accumulated amortization of \$4,043.

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**12. Leases – (Continued)**

The following is a summary of the remaining lease principal and interest payments as of December 31, 2023:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payment</b>
2024	\$ 118,486	\$ 21,014	\$ 139,500
2025	126,736	15,596	142,332
2026	134,139	9,799	143,938
2027	80,151	3,668	83,819
	<u>\$ 459,512</u>	<u>\$ 50,077</u>	<u>\$ 509,589</u>

**13. Conduit Debt**

To further economic development in the County, the Authority has issued bonds that meet the definition of a conduit debt obligation. These bonds have provided public and private-sector entities with access to capital for the acquisition and construction of various capital projects and capital equipment. The bonds are secured by the property they finance, guaranteed by the County of Middlesex, and are payable solely from payments received from the public and private-sector entities on the underlying bond documents. The Authority has not extended any additional commitments for the debt service payments of the bonds beyond the collateral and the payments from the public and private-sector entities on the underlying bond documents and maintenance of the tax-exempt status of the conduit debt obligation. At December 31, 2023 and 2022, the bonds have an aggregate outstanding principal amount payable of \$486,969,974 and \$78,394,871, respectively, none of which was recognized as a liability by the Authority.

The Authority maintains a fiduciary fund to account for the custodial funds that have arisen as a result of these conduit debt transactions. The Authority maintains cash and investment accounts to account for funds that are held on behalf of other entities to be utilized for the conduit debt transactions. The cash and investments are used to offset accounts payables related to the debt issuances, such as bond issuance fees, prepaid lease payments received from the borrowers that are to be applied towards upcoming debt payments, debt issuance proceeds that are to be released to the borrowers as the projects progress (net investment in project), and reserves for proceeds and refunding escrows.

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**14. Deferred Compensation Plans**

The Middlesex County Improvement Authority Deferred Compensation Plans were established pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C.39; and P.L. 1980, C. 78 of the Statutes of New Jersey. The Plans are an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The MCIA has engaged private contractors to administer the plans.

**15. Risk Management**

The Authority participates in a self-insurance risk management program maintained by the County of Middlesex for claims relating to general liability, public official liability and auto liability (Self-Insurance Liability Fund). The county insurance commissioners establish the amount of cash reserves deemed necessary to meet the payment of claims.

The county self-insurance commissioners authorized the following autonomous entities to participate in the Self-Insurance Fund: the Mosquito Commission, the County College, the County Improvement Authority, and the Board of Social Services.

The Commissioners assessed the following participants for 2023 and 2022, as follows:

<u>AGENCY</u>	<u>2023 TOTAL</u>	<u>2022 TOTAL</u>
County College	\$1,078,773	\$957,358
Board of Social Services	74,583	76,789
County Improvement Authority	<u>253,657</u>	<u>324,450</u>
	<u>\$1,407,013</u>	<u>\$1,358,597</u>

The respective agency assessments have been computed by an actuarial analysis. The Fund has purchased commercial public entity excess liability insurance for general liability and automobile liability coverage. The coverage in effect at December 31, 2023 and 2022, was as follows:

Limits of Insurance:	<u>2023</u>	<u>2022</u>
Each Accident or Occurrence Limit	\$ 5,000,000	\$5,000,000
Policy Aggregate Limit	6,000,000	6,000,000
Self-Insured Limit Retention	1,500,000	1,500,000



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**15. Risk Management (continued)**

The activity as reported within the Self-Insurance Fund reserves (unaudited) for the year ended December 31, 2023 was as follows:

	Balance December 31, 2022	Increases to Reserves	Decreases to Reserves	Balance December 31, 2023
Self-Insurance Fund	\$2,256,751	\$7,730,714	\$8,619,005	\$1,368,460

Increases to reserves represents amounts received from participant assessments, charges to the County Operating Budget, interest on investments and deposits, subrogations and third party reimbursements and refunds. Decreases to reserves represent the payment on adjudicated or settled claims, asserted costs and administrative fees and charges.

The Authority participates in the Middlesex County Joint Health Insurance Fund (MCJHIF). The MCJHIF consists of seven (7) County agencies within Middlesex County, representing a total of 3,711 and 3,670 retirees, cobra participants and active employees as of December 31, 2023 and 2022 respectively. The MCJHIF's purpose is to provide health care benefits to all eligible participants for medically necessary services covered under the health plan choices offered. The Fund is regulated by the State of New Jersey Department of Insurance as provided by statute and regulations and is subject to reporting requirements mandated by the State.

The assessments of the participating members are determined and certified by the actuary and approved by a majority vote of the Fund Commissioners.

The Commissioners of the MCJHIF have the authority, by majority vote, to levy on the participating local units an additional assessment to assure the payment of the Funds' obligations.

Changes in the MCJHIF's fund balance for each fund year at December 31, 2023 and 2022 are as follows:

<u>Fund</u> <u>Fiscal</u> <u>Year</u>	<u>At December 31,</u>	
	2023	2022
	Fund/Surplus (Deficit) <u>Balance</u>	Fund/Surplus (Deficit) <u>Balance</u>
2023	\$6,794,797	\$28,923,609
2022	10,887,362	28,282,078
2021	6,940,473	-

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**15. Risk Management (continued)**

The Fund utilizes reinsurance agreements to reduce its exposure to large losses on certain types of insured events. Reinsurance may allow recovery of a portion of losses from reinsurers.

Accordingly, the financial statements of the Authority do not report or reflect its participatory share of fund claims expenditures of fund balance (deficit) at December 31, 2023 and 2022.

The Authority has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Authority is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to former employees and charged to its account with the State. The Authority is billed quarterly for amounts due to the State.

Effective August 4, 2001, the Authority instituted a risk management program, which combines risk retention, and reinsurance coverage for claims relating to statutory worker's compensation. The Authority has engaged an outside claims service company to serve as administrator of the program. The administrator for estimated benefits and expenses for reported claims establish loss reserves. Established reserves are subject to change as facts and circumstances relating to claims dictate, and no provision is made for estimated losses relating to costs incurred but not reported (IBNR). At December 31, 2023, the administrator has established an estimated reserve requirement for reported claims in the amount of \$505,511. The Authority has provided reserves at December 31, 2023 for a portion of the estimated claims along with providing additional funding in the Authority's 2023 budget.

**16. Loan Agreements**

In connection with the Heldrich Center Hotel Project, a loan agreement was executed between the County of Middlesex and the Heldrich Center Hotel Project for an original amount of \$3,000,000 with payments beginning in 2008 and final payment in 2037. With respect to the Heldrich Center Project, debt service requirements for Series A bonds have been satisfied as scheduled, however, based upon the lack of timely deposits to certain debt service reserves required of the trustee agreement, the trustee has issued the Heldrich Center Project notice of event of default.

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**Years Ended December 31, 2023 and 2022**

**16. Loan Agreements (continued)**

The Heldrich Center Project is in the process of reviewing its requirements for compliance with the trustee agreement based upon the notification. No amount of Middlesex County's fund balance is impaired based upon the notification. As to the security for the Series A, B and C Bonds and the CRDA Loan issued for the Hotel Project, all Bond financing documentation expressly state that the Bonds and Loan are limited, non-recourse obligations payable solely from Project revenues, and that other than such pledge of Project revenues and assets, the Bonds and Loan are not a debt,

liability or obligation of the MCIA nor of the County of Middlesex, nor is the County of Middlesex a guarantor of the Bonds and Loan.

**17. Unrestricted Net Position - Budgetary**

The unrestricted net position as reported in the financial statements is comprised of the following components and is reconciled to the unrestricted net position utilized for budgetary purposes, as follows:

	<u>2023</u>	<u>2022</u>
Total Unrestricted Net Position	(\$212,104,786)	(\$217,540,790)
As Adjusted by:		
Net Pension Liability, Deferred Inflows/Outflows	30,365,751	36,112,211
OPEB Liability, Deferred Inflows/Outflows	<u>207,684,442</u>	<u>210,975,506</u>
Total Unrestricted Net Position - Budgetary	<u>\$ 25,945,407</u>	<u>\$ 29,546,927</u>

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**18. Commitments and Contingencies**

The Authority is a defendant in a number of legal proceedings. If these cases are decided against the Authority, the Authority will pay such amounts from future revenues. The Authority expects such amounts, if any, will not have a material effect on the financial statements.

As of December 31, 2023, the Authority has signed agreements with contractors to perform certain services related to the following projects:

	<u>Amount</u>
Yard Waste Program	\$1,242,500/Year
Recycling Curbside Program	Based on unit prices

In addition, Medicaid and Medicare amounts recorded as revenue by Roosevelt Care Center Facilities are also subject to audit and possible future adjustments. As of December 31, 2023, the Authority does not believe that any material liabilities will result from such audits.

**19. Subsequent Events**

In October 2023, the Authority was awarded a \$20,000,000 New Jersey Department of Community Affairs state grant for the 2024 Community Innovation and Opportunity Project. The purpose of the grant is to expand activities and energy at the Thomas A. Edison Park and to become a destination for local and regional sports experiences. The Authority expects to incur significant grant revenues and expenses associated with this project in 2024.

In April 2024, the Authority was awarded a \$20,000,000 Coronavirus State Fiscal Recovery Fund federal grant passed through the New Jersey Department of Community Affairs to implement a Recreational Complex Program in partnership with Middlesex County. The Authority expects to incur significant grant revenues and expenses associated with this project in 2024.

In furtherance of the Heldrich Center Project, effective in 2024, the County of Middlesex, New Jersey acquired approximately 95% of the MCIA Heldrich Center Hotel/Conference 2005 Series, A, B & C bonds issued and outstanding.

**OTHER REQUIRED SUPPLEMENTARY INFORMATION**

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Authority's Proportion of the Net Pension Liability	0.3101930000%	0.2929921836%	0.2746051564%	0.2552401065%	0.2362794350%	0.2263437541%	0.2225123609%	0.1940277106%	0.1743224653%	0.1686643490%
Authority's Proportionate Share of the Net Pension Liability	\$ 58,076,560	\$ 65,770,874	\$ 81,330,171	\$ 59,415,817	\$ 46,522,243	\$ 40,783,711	\$ 36,285,947	\$ 22,985,491	\$ 26,307,660	\$ 24,429,975
Authority's Covered-Employee Payroll	\$ 18,285,992	\$ 18,659,176	\$ 17,266,026	\$ 16,442,695	\$ 15,870,604	\$ 15,614,831	\$ 13,612,570	\$ 12,405,671	\$ 12,501,983	\$ 12,839,649
Authority's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	317.60%	352.49%	471.04%	361.35%	293.13%	261.19%	266.56%	185.28%	210.43%	190.27%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability**	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

Note to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate remained the same at 7.00% as of June 30, 2023 and June 30, 2022.

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF AUTHORITY'S CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually Required Contribution	\$ 2,163,845	\$ 2,557,184	\$ 2,518,947	\$ 2,453,206	\$ 2,391,421	\$ 2,358,601	\$ 2,209,640	\$ 2,434,175	\$ 2,272,290	\$ 2,198,290
Contribution in Relation to Contractually Required Contribution	<u>(2,163,845)</u>	<u>(2,557,184)</u>	<u>(2,518,947)</u>	<u>(2,453,206)</u>	<u>(2,391,421)</u>	<u>(2,358,601)</u>	<u>(2,209,640)</u>	<u>(2,434,175)</u>	<u>(2,272,290)</u>	<u>(2,198,290)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 18,285,992	\$ 18,659,176	\$ 17,266,026	\$ 16,442,695	\$ 15,870,604	\$ 15,614,831	\$ 13,612,570	\$ 12,405,671	\$ 12,501,983	\$ 12,839,649
Contributions as a percentage of Covered Employee Payroll	11.83%	13.70%	14.59%	14.92%	15.07%	15.10%	16.23%	19.62%	18.18%	17.12%

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE AUTHORITY'S  
NET OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years\*

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service cost	\$ 3,178,767	\$ 6,674,971	\$ 6,430,689	\$ 5,684,458	\$ 4,027,273	\$ 4,730,104
Interest cost	6,720,331	4,263,904	4,240,649	6,160,584	7,645,343	7,057,797
Benefit payments	(6,238,905)	(6,005,772)	(5,775,235)	(4,549,000)	(3,899,302)	(3,659,813)
Actuarial assumption (gain)/loss	12,625,246	(50,955,206)	1,929,807	4,444,796	38,905,643	(22,210,568)
Actuarial experience (gain)/loss	-	23,300,860	-	(35,985,675)	(10,461,807)	(274,524)
Plan changes	-	-	-	121,110	-	-
<b>Net change in total OPEB liability</b>	16,285,439	(22,721,243)	6,825,910	(24,123,727)	36,217,150	(14,357,004)
<b>Total OPEB liability - beginning</b>	180,592,228	203,313,471	196,487,561	220,611,288	184,394,138	198,751,142
<b>Total OPEB liability - ending (a)</b>	<u>\$ 196,877,667</u>	<u>\$ 180,592,228</u>	<u>\$ 203,313,471</u>	<u>\$ 196,487,561</u>	<u>\$ 220,611,288</u>	<u>\$ 184,394,138</u>
<b>Plan fiduciary net position</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employer	\$ 6,238,905	\$ 6,005,772	\$ 5,775,235	\$ 4,549,000	\$ 3,899,302	\$ 3,659,813
Benefit payments	(6,238,905)	(6,005,772)	(5,775,235)	(4,549,000)	(3,899,302)	(3,659,813)
<b>Net change in fiduciary net position</b>	-	-	-	-	-	-
<b>Plan fiduciary net position - beginning</b>	-	-	-	-	-	-
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Authority's net OPEB liability - ending (a) - (b)</b>	<u>\$ 196,877,667</u>	<u>\$ 180,592,228</u>	<u>\$ 203,313,471</u>	<u>\$ 196,487,561</u>	<u>\$ 220,611,288</u>	<u>\$ 184,394,138</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0%	0%	0%	0%	0%	0%
<b>Covered-employee payroll</b>	\$ 17,429,803	\$ 16,820,674	\$ 14,242,144	\$ 13,827,324	\$ 19,732,360	\$ 16,147,781
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	1129.55%	1073.63%	1427.55%	1421.01%	1118.02%	1141.92%

\* Schedule will be completed through results of subsequent years' activity

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023.



**OTHER SUPPLEMENTARY INFORMATION**

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY

SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET  
(BUDGETARY BASIS)  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	For the Year Ended December 31, 2023				For the Year Ended December 31, 2022			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>Operating Revenues:</b>								
<b>Financing/Administrative Fees:</b>								
Capital Lease Programs	\$ 123,228	\$ 123,228	\$ 304,225	\$ 180,997	\$ 133,592	\$ 133,592	\$ 166,306	\$ 32,714
Roosevelt Care Centers (Resident Fees)	39,490,589	39,490,589	44,036,884	4,546,295	37,800,000	37,800,000	41,425,404	3,625,404
Carteret Parking	166,207	166,207	121,236	(44,971)	-	-	-	-
Recycling Operations	13,359,333	13,359,333	12,796,032	(563,301)	12,709,887	12,709,887	12,387,283	(322,604)
<b>Total Operating Revenues</b>	<b>53,139,357</b>	<b>53,139,357</b>	<b>57,258,377</b>	<b>4,119,020</b>	<b>50,643,479</b>	<b>50,643,479</b>	<b>53,978,993</b>	<b>3,335,514</b>
<b>Non-Operating Revenues:</b>								
Interest Income	-	-	965,902	965,902	-	-	367,873	367,873
Local Subsidy & Donations	17,857,139	17,857,139	13,437,493	(4,419,646)	12,501,967	12,501,967	15,452,798	2,950,831
Other Non-Operating Revenues	2,491,000	2,491,000	1,545,469	(945,531)	2,315,267	2,315,267	2,883,931	568,664
NJ Transit Reimbursements	1,500,000	1,500,000	975,946	(524,054)	1,500,000	1,500,000	774,529	(725,471)
<b>Total Non-Operating Revenues</b>	<b>21,848,139</b>	<b>21,848,139</b>	<b>16,924,810</b>	<b>(4,923,329)</b>	<b>16,317,234</b>	<b>16,317,234</b>	<b>19,479,131</b>	<b>3,161,897</b>
<b>Total Revenues - Budgetary</b>	<b>74,987,496</b>	<b>74,987,496</b>	<b>74,183,187</b>	<b>(804,309)</b>	<b>66,960,713</b>	<b>66,960,713</b>	<b>73,458,124</b>	<b>6,497,411</b>
<b>Operating Expenses:</b>								
<b>Administration:</b>								
<b>Salary and Wages:</b>								
General Operations	\$ 873,268	\$ 873,268	\$ 920,246	\$ (46,978)	\$ 914,350	\$ 914,350	\$ 886,923	\$ 27,427
Roosevelt Care Centers	1,055,744	1,055,744	1,594,403	(538,659)	360,000	360,000	1,383,544	(1,023,544)
<b>Fringe Benefits:</b>								
General Operations	713,167	713,167	678,408	34,759	237,292	237,292	761,981	(524,689)
Roosevelt Care Centers	4,602,350	4,602,350	4,990,115	(387,765)	4,225,458	4,225,458	4,899,748	(674,290)
<b>Other Expenses:</b>								
General Operations	1,267,413	1,267,413	124,140	1,143,273	1,257,025	1,257,025	128,195	1,128,830
Golf Course Operations	-	-	10,000	(10,000)	-	-	10,000	(10,000)
Roosevelt Care Centers	-	-	1,762,408	(1,762,408)	-	-	1,495,361	(1,495,361)
<b>Total Administration</b>	<b>8,511,942</b>	<b>8,511,942</b>	<b>10,079,720</b>	<b>(1,567,778)</b>	<b>6,994,125</b>	<b>6,994,125</b>	<b>9,565,752</b>	<b>(2,571,627)</b>
<b>Cost of Providing Services:</b>								
<b>Salary and Wages:</b>								
General Operations	469,315	469,315	189,910	279,405	453,536	453,536	177,353	276,183
Roosevelt Care Centers	15,548,095	15,548,095	14,635,641	912,454	15,999,950	15,999,950	15,128,015	871,935
<b>Fringe Benefits:</b>								
General Operations	185,864	185,864	85,727	100,137	178,614	178,614	76,873	101,741
Roosevelt Care Centers	9,307,840	9,307,840	8,618,925	688,915	10,221,738	10,221,738	8,918,898	1,302,840
<b>Other Expenses:</b>								
General Operations	9,971,815	9,971,815	9,741,830	229,985	9,208,887	9,208,887	9,631,037	(422,150)
Roosevelt Care Centers	25,338,950	25,338,950	27,642,283	(2,303,333)	18,337,993	18,337,993	25,901,666	(7,563,673)
North Brunswick Train Station	1,500,000	1,500,000	975,946	524,054	1,500,000	1,500,000	774,529	725,471
Carteret Parking	244,548	244,548	113,315	131,233	-	-	-	-
<b>Total Cost of Providing Services</b>	<b>62,566,427</b>	<b>62,566,427</b>	<b>62,003,577</b>	<b>562,850</b>	<b>55,900,718</b>	<b>55,900,718</b>	<b>60,608,371</b>	<b>(4,707,653)</b>

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY

SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET  
(BUDGETARY BASIS)  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	For the Year Ended December 31, 2023				For the Year Ended December 31, 2022			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
Principal Payments on Debt Service in Lieu of Depreciation - Golf Course Operations	\$ 1,215,000	\$ 1,215,000	\$ 1,215,000	\$ -	\$ 1,165,000	\$ 1,165,000	\$ 1,165,000	\$ -
Total Principal Payments on Debt Service	1,215,000	1,215,000	1,215,000	-	1,165,000	1,165,000	1,165,000	-
Total Operating Expenses	72,293,369	72,293,369	73,298,297	(1,004,928)	64,059,843	64,059,843	71,339,123	(7,279,280)
Non-Operating Expenses:								
Bond Issuance Costs	-	-	-	-	-	-	218,268	(218,268)
Interest Expense on Debt -								
General Operations	1,719	1,719	-	1,719	3,395	3,395	-	3,395
Golf Course Operations	288,548	288,548	285,660	2,888	336,967	336,967	331,241	5,726
Roosevelt Care Centers	10,610	10,610	-	10,610	16,861	16,861	-	16,861
New Brunswick Parking Deck	2,118,000	2,118,000	2,118,000	-	1,953,267	1,953,267	1,953,267	-
Carteret Parking Garage	275,250	275,250	286,719	(11,469)	-	-	158,268	(158,268)
Total Interest Expense on Debt	2,694,127	2,694,127	2,690,379	3,748	2,310,490	2,310,490	2,442,776	(132,286)
Total Non-Operating Expenses:	2,694,127	2,694,127	2,690,379	3,748	2,310,490	2,310,490	2,661,044	(350,554)
Total Expenses - Budgetary	74,987,496	74,987,496	75,988,676	(1,001,180)	66,370,333	66,370,333	74,000,167	(7,629,834)
Budgetary Revenues (under) over Expenses	\$ -	\$ -	\$ (1,805,489)	\$ (1,805,489)	\$ 590,380	\$ 590,380	\$ (542,043)	\$ (1,132,423)
<u>Reconciliation of Budgetary Basis to Change in Net Position:</u>								
Budgetary Revenues (under) over Expenses			\$ (1,805,489)				\$ (542,043)	
Adjustments to Budgetary Basis:								
Depreciation/Amortization Expense			(1,286,325)				(1,057,605)	
Depreciation Expense-Heldrich Hotel/Conference Ctr.			(2,342,992)				(2,344,992)	
Lease Payments			-				106,962	
Bond Principal-Golf Courses			1,215,000				1,165,000	
Accrued Interest on Bonds			-				(706,000)	
Annual Bond Fees			(21,881)				-	
Net Bond Premium/Discount Amortization			487,593				463,679	
Net Pension Liability Benefit			5,586,338				7,860,719	
OPEB Liability Benefit			3,291,064				3,320,532	
Total Adjustments			6,928,797				8,808,295	
Change in Net Position			\$ 5,123,308				\$ 8,266,252	

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUE BONDS PAYABLE  
OPERATING FUND  
AT DECEMBER 31, 2023

	ORIGINAL DATE	AMOUNT	INTEREST RATE	MATURITIES DATE	AMOUNT	BALANCE DEC. 31, 2022	ISSUED	PAID	BALANCE DEC. 31, 2023
Perth Amboy Franchise Acq. Project Series 1999B	01/01/99	\$ 24,469,075	5.180%	09/01/24	\$ 1,880,244	\$ 6,227,752		\$ 2,058,477	\$ 4,169,275
			5.180%	09/01/25	1,202,546				
			5.180%	09/01/26	1,086,485				
Perth Amboy Lease & Franchise Extension Project Series 2004	10/01/04	15,933,834	6.670%	10/01/24	909,846	12,873,418		766,840	12,106,578
			6.670%	10/01/25	1,328,911				
			6.670%	10/01/26	1,498,526				
			6.670%	10/01/27	1,052,528				
			6.670%	10/01/28	944,979				
			6.670%	10/01/29	996,420				
			6.670%	10/01/30	1,248,048				
			6.670%	10/01/31	1,147,908				
			6.670%	10/01/32	1,051,546				
			6.670%	10/01/33	968,629				
			6.670%	10/01/34	959,237				
			Heldrich Center Hotel/Conference Project, Series 2005A	01/01/05	30,000,000				
5.000%	01/01/22	925,000							
5.000%	01/01/23	975,000							
5.000%	01/01/24	1,020,000							
5.000%	01/01/25	1,070,000							
5.000%	01/01/26	1,125,000							
5.000%	01/01/27	1,180,000							
5.000%	01/01/28	1,240,000							
5.000%	01/01/29	1,305,000							
5.000%	01/01/30	1,370,000							
5.000%	01/01/31	1,435,000							
5.000%	01/01/32	1,510,000							
5.125%	01/01/33	1,585,000							
5.125%	01/01/34	1,665,000							
5.125%	01/01/35	1,750,000							
5.125%	01/01/36	1,840,000							
5.125%	01/01/37	1,935,000							
Heldrich Center Hotel/Conference Project, Series 2005B	01/01/05	37,295,000	6.125%	01/01/11	45,000	37,295,000			37,295,000
			6.125%	01/01/12	100,000				
			6.125%	01/01/13	150,000				
			6.125%	01/01/14	210,000				
			6.125%	01/01/15	275,000				
			6.125%	01/01/16	340,000				
			6.125%	01/01/17	415,000				
			6.125%	01/01/18	495,000				
			6.125%	01/01/19	580,000				
			6.125%	01/01/20	670,000				
			6.125%	01/01/21	765,000				
			6.125%	01/01/22	870,000				
			6.125%	01/01/23	985,000				
			6.125%	01/01/24	1,105,000				
			6.125%	01/01/25	1,235,000				
			6.250%	01/01/26	1,370,000				
			6.250%	01/01/27	1,520,000				
			6.250%	01/01/28	1,680,000				
			6.250%	01/01/29	1,855,000				
			6.250%	01/01/30	2,035,000				
6.250%	01/01/31	2,235,000							
6.250%	01/01/32	2,445,000							
6.250%	01/01/33	2,670,000							
6.250%	01/01/34	2,910,000							
6.250%	01/01/35	3,165,000							
6.250%	01/01/36	3,440,000							
6.250%	01/01/37	3,730,000							

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUE BONDS PAYABLE  
OPERATING FUND  
AT DECEMBER 31, 2023

	<u>ORIGINAL DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2022</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE DEC. 31, 2023</u>
Heldrich Center Hotel/Conference Project, Series 2005C	01/01/05	\$ 2,750,000	8.750%	01/01/17	\$ 5,000	\$ 2,750,000			\$ 2,750,000
				01/01/18	10,000				
				01/01/19	20,000				
				01/01/20	25,000				
				01/01/21	30,000				
				01/01/22	40,000				
				01/01/23	50,000				
				01/01/24	60,000				
				01/01/25	70,000				
				01/01/26	80,000				
				01/01/27	95,000				
				01/01/28	110,000				
				01/01/29	125,000				
				01/01/30	140,000				
				01/01/31	160,000				
				01/01/32	180,000				
				01/01/33	200,000				
				01/01/34	225,000				
01/01/35	255,000								
01/01/36	280,000								
01/01/37	590,000								
Heldrich Center Hotel/Conference Project Senior Revenue Bonds 2007	05/11/07	3,000,000	4.890%	01/01/21	125,000	1,805,000			1,805,000
				01/01/22	115,000				
				01/01/23	115,000				
				01/01/24	110,000				
				01/01/25	110,000				
				01/01/26	110,000				
				01/01/27	105,000				
				01/01/28	105,000				
				01/01/29	105,000				
				01/01/30	105,000				
				01/01/31	105,000				
				01/01/32	100,000				
				01/01/33	100,000				
				01/01/34	100,000				
				01/01/35	100,000				
				01/01/36	100,000				
				01/01/37	95,000				
				Capital Equipment and Improvement Revenue Bonds Series 2008 - Middlesex County Portion	12/12/08				
Capital Equipment and Improvement Revenue Bonds Series 2009 - Middlesex County Portion	09/30/09	1,535,517	3.250%	09/15/24	123,466	243,949		120,483	123,466
Meadows at Middlesex Golf Course Project Refunding Bonds Series 2009	12/18/09	4,755,000	4.000%	10/01/24	440,000	865,000		425,000	440,000
Open Space Trust Fund Revenue Refunding Bonds Series 2011	09/21/11	46,830,000				5,715,000		5,715,000	-

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUE BONDS PAYABLE  
OPERATING FUND  
AT DECEMBER 31, 2023

	<u>ORIGINAL DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2022</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE DEC. 31, 2023</u>
Middlesex County Golf Courses Refunding Bonds Series 2013	06/01/13	\$ 11,875,000	4.299%	06/01/24	\$ 820,000	\$ 6,270,000		\$ 790,000	\$ 5,480,000
			3.866%	06/01/25	860,000				
			4.031%	06/01/26	890,000				
			4.281%	06/01/27	925,000				
			4.716%	06/01/28	965,000				
			4.444%	06/01/29	1,020,000				
Open Space Trust Fund Revenue Refunding Bonds Series 2016	12/15/16	19,160,000	5.000%	12/15/24	2,230,000	17,095,000		2,150,000	14,945,000
			5.000%	12/15/25	2,340,000				
			4.000%	12/15/26	2,455,000				
			4.000%	12/15/27	2,555,000				
			2.125%	12/15/28	2,655,000				
			2.125%	12/15/29	2,710,000				
Capital Equipment and Improvement Revenue Bonds Series 2018 - Middlesex County Portion	09/15/18	5,182,564				1,208,611		1,208,611	-
Capital Equipment and Improvement Revenue Bonds Series 2019 - Middlesex County Portion	09/15/18	6,719,047	4.000%	07/15/24	1,444,253	2,832,959		1,388,706	1,444,253
Capital Equipment and Improvement Revenue Bonds Series 2020 - Middlesex County Portion	09/30/20	13,620,122	2.000%	09/15/24	2,768,464	8,363,178		2,687,828	5,675,350
			2.000%	09/15/25	2,906,887				
2021 County Guaranteed Parking Revenue Bonds Series 2021- City of New Brunswick Parking Deck Project	09/29/21	50,365,000	5.000%	09/01/26	450,000	50,365,000			50,365,000
			5.000%	09/01/27	630,000				
			5.000%	09/01/28	925,000				
			5.000%	09/01/29	955,000				
			5.000%	09/01/30	990,000				
			5.000%	09/01/31	1,025,000				
			5.000%	09/01/32	1,150,000				
			5.000%	09/01/33	1,350,000				
			5.000%	09/01/34	1,405,000				
			5.000%	09/01/35	1,460,000				
			4.000%	09/01/36	1,600,000				
			4.000%	09/01/37	1,650,000				
			4.000%	09/01/38	1,860,000				
			4.000%	09/01/39	1,915,000				
			4.000%	09/01/40	2,060,000				
			4.000%	09/01/41	2,125,000				
			4.000%	09/01/42	2,190,000				
			4.000%	09/01/43	2,420,000				
			4.000%	09/01/44	2,585,000				
			4.000%	09/01/45	2,665,000				
			4.000%	09/01/46	2,750,000				
			4.000%	09/01/47	2,840,000				
			4.000%	09/01/48	3,180,000				
			4.000%	09/01/49	3,285,000				
			4.000%	09/01/50	3,395,000				
			4.000%	09/01/51	3,505,000				

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUE BONDS PAYABLE  
OPERATING FUND  
AT DECEMBER 31, 2023

	ORIGINAL DATE	AMOUNT	INTEREST RATE	MATURITIES DATE	AMOUNT	BALANCE DEC. 31, 2022	ISSUED	PAID	BALANCE DEC. 31, 2023
County Guaranteed Capital Equipment and Improvement Revenue Bonds, Series 2021 - Middlesex County Portion	10/27/21	\$ 9,042,037	5.000%	09/15/24	\$ 1,794,087	\$ 7,364,514		\$ 1,708,654	\$ 5,655,860
			5.000%	09/15/25	1,883,792				
			5.000%	09/15/26	1,977,981				
County Guaranteed Parking Revenue Bonds, Series 2022 Carteret Project	04/26/22	5,505,000	5.000%	12/15/25	50,000	5,505,000			5,505,000
			5.000%	12/15/26	75,000				
			5.000%	12/15/27	105,000				
			5.000%	12/15/28	110,000				
			5.000%	12/15/29	115,000				
			5.000%	12/15/30	120,000				
			5.000%	12/15/31	125,000				
			5.000%	12/15/32	135,000				
			5.000%	12/15/33	140,000				
			5.000%	12/15/34	150,000				
			5.000%	12/15/35	155,000				
			5.000%	12/15/36	165,000				
			5.000%	12/15/37	170,000				
			5.000%	12/15/38	180,000				
			5.000%	12/15/39	190,000				
			5.000%	12/15/40	200,000				
			5.000%	12/15/41	210,000				
			5.000%	12/15/42	220,000				
			5.000%	12/15/43	230,000				
			5.000%	12/15/44	240,000				
			5.000%	12/15/45	255,000				
5.000%	12/15/46	265,000							
5.000%	12/15/47	280,000							
5.000%	12/15/48	295,000							
5.000%	12/15/49	305,000							
5.000%	12/15/50	325,000							
5.000%	12/15/51	340,000							
5.000%	12/15/52	355,000							
County Guaranteed Capital Equipment and Improvement Revenue Bonds, Series 2022 - Middlesex County Portion	10/25/22	9,776,921	5.000%	09/15/24	1,848,015	9,776,921		1,811,744	7,965,177
			5.000%	09/15/25	1,940,415				
			5.000%	09/15/26	2,037,437				
			5.000%	09/15/27	2,139,310				
County Guaranteed Capital Equipment and Improvement Revenue Bonds, Series 2023 - Middlesex County Portion	10/25/23	9,420,923	5.000%	07/15/24	1,750,472		\$ 9,420,923		9,420,923
			5.000%	07/15/25	1,778,379				
			5.000%	07/15/26	1,868,048				
			5.000%	07/15/27	1,967,451				
			5.000%	07/15/28	2,056,573				
<b>TOTAL</b>						<u>\$ 199,426,302</u>	<u>\$ 9,420,923</u>	<u>\$ 20,891,343</u>	<u>\$ 187,955,882</u>
ANALYSIS OF BALANCE:									
									\$ 27,518,847
									160,437,035
									187,955,882
									18,208,008
<b>TOTAL</b>									<u>\$ 206,163,890</u>

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUE BONDS PAYABLE  
OPERATING FUND  
AT DECEMBER 31, 2022

	<u>ORIGINAL DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2021</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE DEC. 31, 2022</u>
Perth Amboy Franchise Acq. Project Series 1999B	01/01/99	\$ 24,469,075	5.180%	09/01/23	\$ 2,058,477	\$ 8,333,261		\$ 2,105,509	\$ 6,227,752
			5.180%	09/01/24	1,880,244				
			5.180%	09/01/25	1,202,546				
			5.180%	09/01/26	1,086,485				
Perth Amboy Lease & Franchise Extension Project Series 2004	10/01/04	15,933,834	6.650%	10/01/23	766,840	13,616,013		742,595	12,873,418
			6.670%	10/01/24	909,846				
			6.670%	10/01/25	1,328,911				
			6.670%	10/01/26	1,498,526				
			6.670%	10/01/27	1,052,528				
			6.670%	10/01/28	944,979				
			6.670%	10/01/29	996,420				
			6.670%	10/01/30	1,248,048				
			6.670%	10/01/31	1,147,908				
			6.670%	10/01/32	1,051,546				
			6.670%	10/01/33	968,629				
			6.670%	10/01/34	959,237				
Heldrich Center Hotel/Conference Project, Series 2005A	01/01/05	30,000,000	5.000%	01/01/21	880,000	22,810,000			22,810,000
			5.000%	01/01/22	925,000				
			5.000%	01/01/23	975,000				
			5.000%	01/01/24	1,020,000				
			5.000%	01/01/25	1,070,000				
			5.000%	01/01/26	1,125,000				
			5.000%	01/01/27	1,180,000				
			5.000%	01/01/28	1,240,000				
			5.000%	01/01/29	1,305,000				
			5.000%	01/01/30	1,370,000				
			5.000%	01/01/31	1,435,000				
			5.000%	01/01/32	1,510,000				
			5.125%	01/01/33	1,585,000				
			5.125%	01/01/34	1,665,000				
			5.125%	01/01/35	1,750,000				
			5.125%	01/01/36	1,840,000				
			5.125%	01/01/37	1,935,000				
Heldrich Center Hotel/Conference Project, Series 2005B	01/01/05	37,295,000	6.125%	01/01/11	45,000	37,295,000			37,295,000
			6.125%	01/01/12	100,000				
			6.125%	01/01/13	150,000				
			6.125%	01/01/14	210,000				
			6.125%	01/01/15	275,000				
			6.125%	01/01/16	340,000				
			6.125%	01/01/17	415,000				
			6.125%	01/01/18	495,000				
			6.125%	01/01/19	580,000				
			6.125%	01/01/20	670,000				
			6.125%	01/01/21	765,000				
			6.125%	01/01/22	870,000				
			6.125%	01/01/23	985,000				
			6.125%	01/01/24	1,105,000				
			6.125%	01/01/25	1,235,000				
			6.250%	01/01/26	1,370,000				
			6.250%	01/01/27	1,520,000				
			6.250%	01/01/28	1,680,000				
			6.250%	01/01/29	1,855,000				
			6.250%	01/01/30	2,035,000				
6.250%	01/01/31	2,235,000							
6.250%	01/01/32	2,445,000							
6.250%	01/01/33	2,670,000							
6.250%	01/01/34	2,910,000							
6.250%	01/01/35	3,165,000							
6.250%	01/01/36	3,440,000							
6.250%	01/01/37	3,730,000							



MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUE BONDS PAYABLE  
OPERATING FUND  
AT DECEMBER 31, 2022

	ORIGINAL DATE	AMOUNT	INTEREST RATE	MATURITIES DATE	AMOUNT	BALANCE DEC. 31, 2021	ISSUED	PAID	BALANCE DEC. 31, 2022
Heldrich Center Hotel/Conference Project, Series 2005C	01/01/05	\$ 2,750,000	8.750%	01/01/17	\$ 5,000	\$ 2,750,000			\$ 2,750,000
			8.750%	01/01/18	10,000				
			8.750%	01/01/19	20,000				
			8.750%	01/01/20	25,000				
			8.750%	01/01/21	30,000				
			8.750%	01/01/22	40,000				
			8.750%	01/01/23	50,000				
			8.750%	01/01/24	60,000				
			8.750%	01/01/25	70,000				
			8.750%	01/01/26	80,000				
			8.750%	01/01/27	95,000				
			8.750%	01/01/28	110,000				
			8.750%	01/01/29	125,000				
			8.750%	01/01/30	140,000				
			8.750%	01/01/31	160,000				
			8.750%	01/01/32	180,000				
			8.750%	01/01/33	200,000				
			8.750%	01/01/34	225,000				
			8.750%	01/01/35	255,000				
			8.750%	01/01/36	280,000				
8.750%	01/01/37	590,000							
Heldrich Center Hotel/Conference Project Senior Revenue Bonds 2007	05/11/07	3,000,000	4.890%	01/01/21	125,000	1,805,000			1,805,000
			4.890%	01/01/22	115,000				
			4.890%	01/01/23	115,000				
			4.890%	01/01/24	110,000				
			4.890%	01/01/25	110,000				
			4.890%	01/01/26	110,000				
			4.890%	01/01/27	105,000				
			4.890%	01/01/28	105,000				
			4.890%	01/01/29	105,000				
			4.890%	01/01/30	105,000				
			4.890%	01/01/31	105,000				
			4.890%	01/01/32	100,000				
			4.890%	01/01/33	100,000				
			4.890%	01/01/34	100,000				
			4.890%	01/01/35	100,000				
			4.890%	01/01/36	100,000				
			4.890%	01/01/37	95,000				
Capital Equipment and Improvement Revenue Bonds Series 2008 - Middlesex County Portion	12/12/08	13,100,000	4.800%	09/15/23	60,000	120,000		60,000	60,000
Capital Equipment and Improvement Revenue Bonds Series 2009 - Middlesex County Portion	09/30/09	1,535,517	3.125%	09/15/23	120,483	356,387		112,438	243,949
			3.250%	09/15/24	123,466				
Meadows at Middlesex Golf Course Project Refunding Bonds Series 2009	12/18/09	4,755,000	4.000%	10/01/23	425,000	1,275,000		410,000	865,000
			4.000%	10/01/24	440,000				
Open Space Trust Fund Revenue Refunding Bonds Series 2011	09/21/11	46,830,000	3.000%	09/15/23	5,715,000	11,155,000		5,440,000	5,715,000

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUE BONDS PAYABLE  
OPERATING FUND  
AT DECEMBER 31, 2022

	ORIGINAL DATE	AMOUNT	INTEREST RATE	MATURITIES DATE	AMOUNT	BALANCE DEC. 31, 2021	ISSUED	PAID	BALANCE DEC. 31, 2022
Middlesex County Golf Courses Refunding Bonds Series 2013	06/01/13	\$ 11,875,000	4.114%	06/01/23	\$ 790,000	\$ 7,025,000		\$ 755,000	\$ 6,270,000
			4.299%	06/01/24	820,000				
			3.866%	06/01/25	860,000				
			4.031%	06/01/26	890,000				
			4.281%	06/01/27	925,000				
			4.716%	06/01/28	965,000				
			4.444%	06/01/29	1,020,000				
Open Space Trust Fund Revenue Refunding Bonds Series 2016	12/15/16	19,160,000	4.000%	12/15/23	2,150,000	19,160,000		2,065,000	17,095,000
			5.000%	12/15/24	2,230,000				
			5.000%	12/15/25	2,340,000				
			4.000%	12/15/26	2,455,000				
			4.000%	12/15/27	2,555,000				
			2.125%	12/15/28	2,655,000				
			2.125%	12/15/29	2,710,000				
Capital Equipment and Improvement Revenue Bonds Series 2017 - Middlesex County Portion	09/01/17	7,394,719				1,567,642		1,567,642	-
Capital Equipment and Improvement Revenue Bonds Series 2018 - Middlesex County Portion	09/15/18	5,182,564	4.000%	09/15/23	1,208,611	2,370,737		1,162,126	1,208,611
Capital Equipment and Improvement Revenue Bonds Series 2019 - Middlesex County Portion	09/15/18	6,719,047	4.000%	07/15/23	1,388,705	4,168,253		1,335,294	2,832,959
			4.000%	07/15/24	1,444,254				
Capital Equipment and Improvement Revenue Bonds Series 2020 - Middlesex County Portion	09/30/20	13,620,122	2.000%	09/15/23	2,687,828	10,998,304		2,635,126	8,363,178
			2.000%	09/15/24	2,768,463				
			2.000%	09/15/25	2,906,887				
2021 County Guaranteed Parking Revenue Bonds Series 2021- City of New Brunswick Parking Deck Project	09/29/21	50,365,000	5.000%	09/01/26	450,000	50,365,000		-	50,365,000
			5.000%	09/01/27	630,000				
			5.000%	09/01/28	925,000				
			5.000%	09/01/29	955,000				
			5.000%	09/01/30	990,000				
			5.000%	09/01/31	1,025,000				
			5.000%	09/01/32	1,150,000				
			5.000%	09/01/33	1,350,000				
			5.000%	09/01/34	1,405,000				
			5.000%	09/01/35	1,460,000				
			4.000%	09/01/36	1,600,000				
			4.000%	09/01/37	1,650,000				
			4.000%	09/01/38	1,860,000				
			4.000%	09/01/39	1,915,000				
			4.000%	09/01/40	2,060,000				
			4.000%	09/01/41	2,125,000				
			4.000%	09/01/42	2,190,000				
			4.000%	09/01/43	2,420,000				
			4.000%	09/01/44	2,585,000				
			4.000%	09/01/45	2,665,000				
			4.000%	09/01/46	2,750,000				
			4.000%	09/01/47	2,840,000				
			4.000%	09/01/48	3,180,000				
			4.000%	09/01/49	3,285,000				
			4.000%	09/01/50	3,395,000				
			4.000%	09/01/51	3,505,000				

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUE BONDS PAYABLE  
OPERATING FUND  
AT DECEMBER 31, 2022

	ORIGINAL DATE	AMOUNT	INTEREST RATE	MATURITIES DATE	AMOUNT	BALANCE DEC. 31, 2021	ISSUED	PAID	BALANCE DEC. 31, 2022
County Guaranteed Capital Equipment and Improvement Revenue Bonds, Series 2021 - Middlesex County Portion	10/27/21	\$ 9,042,037	5.000%	09/15/23	\$ 1,708,655	\$ 9,042,037		\$ 1,677,523	\$ 7,364,514
			5.000%	09/15/24	1,794,087				
			5.000%	09/15/25	1,883,791				
			5.000%	09/15/26	1,977,981				
County Guaranteed Parking Revenue Bonds, Series 2022 Carteret Project	04/26/22	5,505,000	5.000%	12/15/25	50,000		\$ 5,505,000		5,505,000
			5.000%	12/15/26	75,000				
			5.000%	12/15/27	105,000				
			5.000%	12/15/28	110,000				
			5.000%	12/15/29	115,000				
			5.000%	12/15/30	120,000				
			5.000%	12/15/31	125,000				
			5.000%	12/15/32	135,000				
			5.000%	12/15/33	140,000				
			5.000%	12/15/34	150,000				
			5.000%	12/15/35	155,000				
			5.000%	12/15/36	165,000				
			5.000%	12/15/37	170,000				
			5.000%	12/15/38	180,000				
			5.000%	12/15/39	190,000				
			5.000%	12/15/40	200,000				
			5.000%	12/15/41	210,000				
			5.000%	12/15/42	220,000				
			5.000%	12/15/43	230,000				
			5.000%	12/15/44	240,000				
			5.000%	12/15/45	255,000				
			5.000%	12/15/46	265,000				
			5.000%	12/15/47	280,000				
5.000%	12/15/48	295,000							
5.000%	12/15/49	305,000							
5.000%	12/15/50	325,000							
5.000%	12/15/51	340,000							
5.000%	12/15/52	355,000							
County Guaranteed Capital Equipment and Improvement Revenue Bonds, Series 2022 - Middlesex County Portion	10/25/22	9,776,921	5.000%	09/15/23	1,811,744		9,776,921		9,776,921
			5.000%	09/15/24	1,848,015				
			5.000%	09/15/25	1,940,415				
			5.000%	09/15/26	2,037,437				
			5.000%	09/15/27	2,139,310				
<b>TOTAL</b>						<b>\$ 204,212,634</b>	<b>\$ 15,281,921</b>	<b>\$ 20,068,253</b>	<b>\$ 199,426,302</b>
ANALYSIS OF BALANCE:									
									\$ 30,106,343
									169,319,959
									199,426,302
									25,266,975
<b>TOTAL</b>									<b>\$ 224,693,277</b>

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY

Schedule VII

SUPPLEMENTAL SCHEDULE OF LOANS PAYABLE  
OPERATING FUND  
AT DECEMBER 31, 2023

	<u>ORIGINAL DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2022</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE DEC. 31, 2023</u>
Heldrich Plaza/New Brunswick Project:									
Casino Reinvestment Development Authority Series K	4/4/2005	\$ 15,000,000	3.821%	1/1/2011	\$ 475,000	\$ 15,000,000	\$ -	\$ -	\$ 15,000,000
			3.821%	1/1/2012	495,000				
			3.821%	1/1/2013	515,000				
			3.821%	1/1/2014	535,000				
			3.821%	1/1/2015	555,000				
			3.821%	1/1/2016	575,000				
			3.821%	1/1/2017	595,000				
			3.821%	1/1/2018	620,000				
			3.821%	1/1/2019	645,000				
			3.821%	1/1/2020	670,000				
			3.821%	1/1/2021	700,000				
			3.821%	1/1/2022	725,000				
			3.821%	1/1/2023	750,000				
			3.821%	1/1/2024	780,000				
			3.821%	1/1/2025	810,000				
			3.821%	1/1/2026	840,000				
			3.821%	1/1/2027	875,000				
			3.821%	1/1/2028	905,000				
			3.821%	1/1/2029	940,000				
			3.821%	1/1/2030	980,000				
			3.821%	1/1/2031	1,015,000				
Casino Reinvestment Development Authority Series L	4/4/2005	5,000,000	3.821%	1/1/2011	155,000	5,000,000	-	-	5,000,000
			3.821%	1/1/2012	165,000				
			3.821%	1/1/2013	170,000				
			3.821%	1/1/2014	175,000				
			3.821%	1/1/2015	180,000				
			3.821%	1/1/2016	190,000				
			3.821%	1/1/2017	195,000				
			3.821%	1/1/2018	205,000				
			3.821%	1/1/2019	215,000				
			3.821%	1/1/2020	225,000				
			3.821%	1/1/2021	235,000				
			3.821%	1/1/2022	245,000				
			3.821%	1/1/2023	250,000				
			3.821%	1/1/2024	260,000				
			3.821%	1/1/2025	270,000				
			3.821%	1/1/2026	280,000				
			3.821%	1/1/2027	290,000				
			3.821%	1/1/2028	305,000				
			3.821%	1/1/2029	315,000				
			3.821%	1/1/2030	330,000				
			3.821%	1/1/2031	345,000				
						<u>\$ 20,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000,000</u>

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY

Schedule VIII

SUPPLEMENTAL SCHEDULE OF LOANS PAYABLE  
OPERATING FUND  
AT DECEMBER 31, 2022

	<u>ORIGINAL DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>BALANCE Dec. 31, 2021</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE DEC. 31, 2022</u>
Heldrich Plaza/New Brunswick Project: Casino Reinvestment Development Authority Series K	4/4/2005	\$ 15,000,000	3.821%	1/1/2011	\$ 475,000	\$ 15,000,000	\$ -	\$ -	\$ 15,000,000
			3.821%	1/1/2012	495,000				
			3.821%	1/1/2013	515,000				
			3.821%	1/1/2014	535,000				
			3.821%	1/1/2015	555,000				
			3.821%	1/1/2016	575,000				
			3.821%	1/1/2017	595,000				
			3.821%	1/1/2018	620,000				
			3.821%	1/1/2019	645,000				
			3.821%	1/1/2020	670,000				
			3.821%	1/1/2021	700,000				
			3.821%	1/1/2022	725,000				
			3.821%	1/1/2023	750,000				
			3.821%	1/1/2024	780,000				
			3.821%	1/1/2025	810,000				
			3.821%	1/1/2026	840,000				
			3.821%	1/1/2027	875,000				
			3.821%	1/1/2028	905,000				
			3.821%	1/1/2029	940,000				
			3.821%	1/1/2030	980,000				
			3.821%	1/1/2031	1,015,000				
Casino Reinvestment Development Authority Series L	4/4/2005	5,000,000	3.821%	1/1/2011	155,000	5,000,000	-	-	5,000,000
			3.821%	1/1/2012	165,000				
			3.821%	1/1/2013	170,000				
			3.821%	1/1/2014	175,000				
			3.821%	1/1/2015	180,000				
			3.821%	1/1/2016	190,000				
			3.821%	1/1/2017	195,000				
			3.821%	1/1/2018	205,000				
			3.821%	1/1/2019	215,000				
			3.821%	1/1/2020	225,000				
			3.821%	1/1/2021	235,000				
			3.821%	1/1/2022	245,000				
			3.821%	1/1/2023	250,000				
			3.821%	1/1/2024	260,000				
			3.821%	1/1/2025	270,000				
			3.821%	1/1/2026	280,000				
			3.821%	1/1/2027	290,000				
			3.821%	1/1/2028	305,000				
			3.821%	1/1/2029	315,000				
			3.821%	1/1/2030	330,000				
			3.821%	1/1/2031	345,000				
						<u>\$ 20,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000,000</u>

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF CONDUIT DEBT ACTIVITY  
AT DECEMBER 31, 2023

	<u>ORIGINAL DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2022</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE DEC. 31, 2023</u>
Senior Citizen's Housing Project North Brunswick Taxable Guaranteed Revenue Bonds Series 1994	11/01/94	\$ 8,300,000	9.125%	12/01/24	\$ 575,000	\$ 3,160,000		\$ 525,000	\$ 2,635,000
			9.125%	12/01/25	625,000				
			9.125%	12/01/26	685,000				
			9.125%	12/01/27	750,000				
South Plainfield Senior Citizens' Housing Project- Borough of South Plainfield Guaranteed Bonds Series 2000	11/15/00	6,000,000	5.580%	09/01/24	105,000	1,540,000		100,000	1,440,000
			5.580%	09/01/25	110,000				
			5.580%	09/01/26	115,000				
			5.580%	09/01/27	125,000				
			5.580%	09/01/28	130,000				
			5.580%	09/01/29	135,000				
			5.580%	09/01/30	720,000				
Capital Equipment and Improvement Revenue Bonds Series 2009	09/30/09	11,579,483	3.250%	09/15/24	66,534	131,051		64,517	66,534
Capital Equipment and Improvement Revenue Bonds Series 2013	10/15/13	13,840,000				220,000		220,000	-
Middlesex Regional Educational Services Commission Refunding Bonds Series 2014	05/07/14	9,385,000	5.000%	10/15/24	1,000,000	3,010,000		965,000	2,045,000
			5.000%	10/15/25	1,045,000				
Middlesex Regional Educational Services Commission Refunding Bonds Series 2014A	12/30/14	30,170,000	5.000%	12/15/24	1,800,000	23,680,000		1,715,000	21,965,000
			5.000%	12/15/25	1,895,000				
			2.500%	12/15/26	1,960,000				
			5.000%	12/15/27	2,035,000				
			5.000%	12/15/28	2,135,000				
			5.000%	12/15/29	2,240,000				
			5.000%	12/15/30	2,350,000				
			3.000%	12/15/31	2,445,000				
			3.000%	12/15/32	2,515,000				
			3.125%	12/15/33	2,590,000				
Capital Equipment and Improvement Revenue Bonds Series 2015	09/30/15	8,080,000	2.500%	09/15/24	65,000	195,000		65,000	130,000
			2.500%	09/15/25	65,000				
Capital Equipment and Improvement Revenue Bonds Series 2017	09/01/17	3,520,281	4.000%	09/01/24	220,000	1,145,000		210,000	935,000
			4.000%	09/01/25	230,000				
			4.000%	09/01/26	240,000				
			4.000%	09/01/27	245,000				
Educational Services Commission of New Jersey Refunding Bonds Series 2017	05/15/17	13,170,000	5.000%	05/15/24	875,000	10,755,000		825,000	9,930,000
			5.000%	05/15/25	915,000				
			5.000%	05/15/26	515,000				
			5.000%	05/15/27	545,000				
			5.000%	05/15/28	570,000				
			5.000%	05/15/29	600,000				
			5.000%	05/15/30	630,000				
			5.000%	05/15/31	660,000				
			5.000%	05/15/32	695,000				
			5.000%	05/15/33	725,000				
			3.000%	05/15/34	765,000				
			3.000%	05/15/35	785,000				
			4.000%	05/15/35	810,000				
			4.000%	05/15/37	840,000				

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF CONDUIT DEBT ACTIVITY  
AT DECEMBER 31, 2023

	<u>ORIGINAL DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2022</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE DEC. 31, 2023</u>							
New Brunswick Cultural Center Project Series 2017	07/01/17	\$ 28,430,000	5.000%	07/01/24	\$ 2,740,000	\$ 21,345,000		\$ 2,610,000	\$ 18,735,000							
			5.000%	07/01/25	2,885,000											
			5.000%	07/01/26	3,030,000											
			5.000%	07/01/27	3,185,000											
			5.000%	07/01/28	3,350,000											
			5.000%	07/01/29	3,545,000											
Capital Equipment and Improvement Revenue Bonds Series 2018	09/15/18	3,467,436	4.000%	09/15/24	245,000	1,046,389		551,389	495,000							
			4.000%	09/15/25	250,000											
Capital Equipment and Improvement Revenue Bonds Series 2019	09/15/18	2,810,953	4.000%	07/15/24	450,746	1,587,041		431,295	1,155,746							
			4.000%	07/15/25	130,000											
			4.000%	07/15/26	135,000											
			4.000%	07/15/27	140,000											
			4.000%	07/15/28	150,000											
			4.000%	07/15/29	150,000											
Capital Equipment and Improvement Revenue Bonds Series 2020	09/30/20	1,384,878	2.000%	09/15/24	166,536	1,066,822.00		157,172	909,650							
			2.000%	09/15/25	173,114											
			2.000%	09/15/26	130,000											
			2.000%	09/15/27	145,000											
			2.000%	09/15/28	145,000											
			2.000%	09/15/29	150,000											
County Guaranteed Capital Equipment and Improvement Revenue Bonds, Series 2021	10/27/21	3,832,963	5.000%	09/15/24	650,913	3,225,486.00		621,345	2,604,141							
			5.000%	09/15/25	691,209											
			5.000%	09/15/26	722,019											
			5.000%	09/15/27	540,000											
County Guaranteed Capital Equipment and Improvement Revenue Bonds, Series 2022	10/25/22	6,288,079	5.000%	09/15/24	521,988	6,288,082		528,256	5,759,826							
			5.000%	09/15/25	544,584											
			5.000%	09/15/26	572,563											
			5.000%	09/15/27	600,691											
			5.000%	09/15/28	485,000											
			5.000%	09/15/29	515,000											
			5.000%	09/15/30	480,000											
			5.000%	09/15/31	495,000											
			5.000%	09/15/32	505,000											
			5.000%	09/15/33	515,000											
			5.000%	09/15/34	525,000											
			County Guaranteed Capital Equipment and Improvement Revenue Bonds, Series 2023	10/25/23	564,077					5.000%	07/15/24	104,528		\$ 564,077		564,077
										5.000%	07/15/25	106,621				
5.000%	07/15/26	111,952														
5.000%	07/15/27	117,549														
5.000%	07/15/28	123,427														
County Guaranteed Lease Revenue Bonds Series 2023 A & B	07/01/23	26,720,000	5.000%	08/15/47	2,460,000		26,720,000		26,720,000							
			5.000%	08/15/48	3,610,000											
			5.000%	08/15/49	3,790,000											
			4.000%	08/15/50	3,965,000											
			4.000%	08/15/51	4,130,000											
			4.000%	08/15/52	4,295,000											
			4.000%	08/15/53	4,470,000											

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
SUPPLEMENTAL SCHEDULE OF CONDUIT DEBT ACTIVITY  
AT DECEMBER 31, 2023

	<u>ORIGINAL DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2022</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE DEC. 31, 2023</u>
County Guaranteed Lease Revenue Bonds Series 2023 A & B	07/01/23	\$ 42,430,000	4.574%	08/15/27	\$ 1,245,000		\$ 42,430,000		\$ 42,430,000
			4.624%	08/15/28	1,305,000				
			4.603%	08/15/29	1,365,000				
			4.653%	08/15/30	1,430,000				
			4.617%	08/15/31	1,500,000				
			4.667%	08/15/32	1,570,000				
			4.717%	08/15/33	1,645,000				
			5.217%	08/15/34	1,730,000				
			5.217%	08/15/35	1,820,000				
			5.217%	08/15/36	1,920,000				
			5.217%	08/15/37	2,020,000				
			5.217%	08/15/38	2,130,000				
			5.314%	08/15/39	2,245,000				
			5.314%	08/15/40	2,365,000				
			5.314%	08/15/41	2,495,000				
			5.314%	08/15/42	2,630,000				
			5.314%	08/15/43	2,775,000				
			5.314%	08/15/44	2,930,000				
			5.314%	08/15/45	3,085,000				
			5.314%	08/15/46	3,255,000				
			5.314%	08/15/47	970,000				
County Guaranteed Lease Revenue Bonds Series 2023 C & D	07/01/23	18,225,000	5.000%	08/15/27	1,440,000		18,225,000.00		18,225,000
			5.000%	08/15/28	1,515,000				
			4.603%	08/15/29	1,590,000				
			4.653%	08/15/30	1,670,000				
			4.617%	08/15/31	1,760,000				
			4.667%	08/15/32	1,850,000				
			4.717%	08/15/33	1,945,000				
			5.217%	08/15/34	2,045,000				
			5.217%	08/15/35	2,150,000				
			5.217%	08/15/36	2,260,000				
County Guaranteed Lease Revenue Bonds Series 2023 C & D	07/01/23	25,700,000	4.574%	08/15/27	2,065,000		25,700,000		25,700,000
			4.624%	08/15/28	2,165,000				
			4.603%	08/15/29	2,265,000				
			4.653%	08/15/30	2,370,000				
			4.617%	08/15/31	2,485,000				
			4.667%	08/15/32	2,600,000				
			4.717%	08/15/33	2,730,000				
			4.817%	08/15/34	2,860,000				
			4.917%	08/15/35	3,005,000				
			5.017%	08/15/36	3,155,000				
Rutgers University General Obligation Lease Revenue Bonds, Series 2023A & B	07/01/23	190,765,000	5.000%	08/15/53	190,765,000		190,765,000		190,765,000
Rutgers University General Obligation Lease Revenue Bonds, Series 2023A & B	07/01/23	113,760,000	4.774%	08/15/27	9,060,000		113,760,000		113,760,000
			4.824%	08/15/28	9,510,000				
			4.803%	08/15/29	9,975,000				
			4.803%	08/15/30	10,465,000				
			4.821%	08/15/31	10,985,000				
			4.821%	08/15/32	11,525,000				
			4.871%	08/15/33	12,100,000				
			4.971%	08/15/34	12,710,000				
			5.071%	08/15/35	13,365,000				
			5.171%	08/15/36	14,065,000				
<b>TOTAL</b>						<u>\$ 78,394,871</u>	<u>\$ 418,164,077</u>	<u>\$ 9,588,974</u>	<u>\$ 486,969,974</u>
ANALYSIS OF BALANCE:									
Current Bonds and Notes Payable								\$ 9,586,245	
Long-Term Bonds Payable								477,383,729	
Subtotal								486,969,974	
Unamortized Refunding Gains/Losses and Bond Discounts/Premiums - Net								(20,601,076)	
<b>TOTAL</b>								<u>\$ 466,368,898</u>	



MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF CONDUIT DEBT ACTIVITY  
AT DECEMBER 31, 2022

	<u>ORIGINAL DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2021</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE DEC. 31, 2022</u>
Senior Citizen's Housing Project North Brunswick Taxable Guaranteed Revenue Bonds Series 1994	11/01/94	\$ 8,300,000	9.125%	12/01/23	\$ 525,000	\$ 3,645,000		\$ 485,000	\$ 3,160,000
			9.125%	12/01/24	575,000				
			9.125%	12/01/25	625,000				
			9.125%	12/01/26	685,000				
			9.125%	12/01/27	750,000				
South Plainfield Senior Citizens' Housing Project- Borough of South Plainfield Guaranteed Bonds Series 2000	11/15/00	6,000,000	5.580%	09/01/23	100,000	1,635,000		95,000	1,540,000
			5.580%	09/01/24	105,000				
			5.580%	09/01/25	110,000				
			5.580%	09/01/26	115,000				
			5.580%	09/01/27	125,000				
			5.580%	09/01/28	130,000				
			5.580%	09/01/29	135,000				
			5.580%	09/01/30	720,000				
			Capital Equipment and Improvement Revenue Bonds Series 2009	09/30/09	11,579,483				
3.250%	09/15/24	66,534							
Capital Equipment and Improvement Revenue Bonds Series 2012	09/28/12	11,815,000				245,000	245,000	-	
Capital Equipment and Improvement Revenue Bonds Series 2013	10/15/13	13,840,000	4.000%	10/15/23	220,000	435,000		215,000	220,000
Middlesex Regional Educational Services Commission Refunding Bonds Series 2014	05/07/14	9,385,000	4.000%	10/15/23	965,000	3,920,000		910,000	3,010,000
			5.000%	10/15/24	1,000,000				
			5.000%	10/15/25	1,045,000				
Middlesex Regional Educational Services Commission Refunding Bonds Series 2014A	12/30/14	30,170,000	5.000%	12/15/23	1,715,000	25,315,000		1,635,000	23,680,000
			5.000%	12/15/24	1,800,000				
			5.000%	12/15/25	1,895,000				
			2.500%	12/15/26	1,960,000				
			5.000%	12/15/27	2,035,000				
			5.000%	12/15/28	2,135,000				
			5.000%	12/15/29	2,240,000				
			5.000%	12/15/30	2,350,000				
			3.000%	12/15/31	2,445,000				
			3.000%	12/15/32	2,515,000				
			3.125%	12/15/33	2,590,000				
Capital Equipment and Improvement Revenue Bonds Series 2015	09/30/15	8,080,000	2.250%	09/15/23	65,000	260,000		65,000	195,000
			2.500%	09/15/24	65,000				
			2.500%	09/15/25	65,000				
Capital Equipment and Improvement Revenue Bonds Series 2017	09/01/17	3,520,281	4.000%	09/01/23	210,000	1,647,359		502,359	1,145,000
			4.000%	09/01/24	220,000				
			4.000%	09/01/25	230,000				
			4.000%	09/01/26	240,000				
			4.000%	09/01/27	245,000				

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF CONDUIT DEBT ACTIVITY  
AT DECEMBER 31, 2022

	<u>ORIGINAL DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2021</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE DEC. 31, 2022</u>
Educational Services Commission of New Jersey Refunding Bonds Series 2017	05/15/17	\$ 13,170,000	5.000%	05/15/23	\$ 825,000	\$ 11,550,000		\$ 795,000	\$ 10,755,000
			5.000%	05/15/24	875,000				
			5.000%	05/15/25	915,000				
			5.000%	05/15/26	515,000				
			5.000%	05/15/27	545,000				
			5.000%	05/15/28	570,000				
			5.000%	05/15/29	600,000				
			5.000%	05/15/30	630,000				
			5.000%	05/15/31	660,000				
			5.000%	05/15/32	695,000				
			5.000%	05/15/33	725,000				
			3.000%	05/15/34	765,000				
			3.000%	05/15/35	785,000				
			4.000%	05/15/35	810,000				
4.000%	05/15/37	840,000							
New Brunswick Cultural Center Project Series 2017	07/01/17	28,430,000	5.000%	07/01/23	2,610,000	23,825,000		2,480,000	21,345,000
			5.000%	07/01/24	2,740,000				
			5.000%	07/01/25	2,885,000				
			5.000%	07/01/26	3,030,000				
			5.000%	07/01/27	3,185,000				
			5.000%	07/01/28	3,350,000				
			5.000%	07/01/29	3,545,000				
Capital Equipment and Improvement Revenue Bonds Series 2018	09/15/18	3,467,436	4.000%	09/15/23	551,389	1,574,263		527,874	1,046,389
			4.000%	09/15/24	245,000				
			4.000%	09/15/25	250,000				
Capital Equipment and Improvement Revenue Bonds Series 2019	09/15/18	2,810,953	4.000%	07/15/23	431,295	2,006,747		419,706	1,587,041
			4.000%	07/15/24	450,746				
			4.000%	07/15/25	130,000				
			4.000%	07/15/26	135,000				
			4.000%	07/15/27	140,000				
			4.000%	07/15/28	150,000				
			4.000%	07/15/29	150,000				
Capital Equipment and Improvement Revenue Bonds Series 2020	09/30/20	1,384,878	2.000%	09/15/23	157,172	1,226,696.00		159,874	1,066,822
			2.000%	09/15/24	166,536				
			2.000%	09/15/25	173,114				
			2.000%	09/15/26	130,000				
			2.000%	09/15/27	145,000				
			2.000%	09/15/28	145,000				
			2.000%	09/15/29	150,000				
County Guaranteed Capital Equipment and Improvement Revenue Bonds, Series 2021	10/27/21	3,832,963	5.000%	09/15/23	621,345	3,832,963.00		607,477	3,225,486
			5.000%	09/15/24	650,913				
			5.000%	09/15/25	691,209				
			5.000%	09/15/26	722,019				
			5.000%	09/15/27	540,000				

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF CONDUIT DEBT ACTIVITY  
AT DECEMBER 31, 2022

	<u>ORIGINAL</u>		<u>INTEREST</u>	<u>MATURITIES</u>		<u>BALANCE</u>		<u>BALANCE</u>	
	<u>DATE</u>	<u>AMOUNT</u>	<u>RATE</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DEC. 31, 2021</u>	<u>ISSUED</u>	<u>PAID</u>	<u>DEC. 31, 2022</u>
County Guaranteed Capital Equipment and Improvement Revenue Bonds, Series 2022	10/25/22	\$ 6,288,079	5.000%	09/15/23	\$ 528,256		\$ 6,288,082		\$ 6,288,082
			5.000%	09/15/24	521,988				
			5.000%	09/15/25	544,584				
			5.000%	09/15/26	572,563				
			5.000%	09/15/27	600,691				
			5.000%	09/15/28	485,000				
			5.000%	09/15/29	515,000				
			5.000%	09/15/30	480,000				
			5.000%	09/15/31	495,000				
			5.000%	09/15/32	505,000				
			5.000%	09/15/33	515,000				
			5.000%	09/15/34	525,000				
<b>TOTAL</b>						<u>\$ 81,311,641</u>	<u>\$ 6,288,082</u>	<u>\$ 9,204,852</u>	<u>\$ 78,394,871</u>
ANALYSIS OF BALANCE:									
Current Bonds and Notes Payable									\$ 9,588,974
Long-Term Bonds Payable									<u>68,805,897</u>
Subtotal									<u>78,394,871</u>
Unamortized Refunding Gains/Losses and Bond Discounts/Premiums - Net									<u>(7,080,826)</u>
<b>TOTAL</b>									<u>\$ 71,314,045</u>

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
MIDDLESEX COUNTY, NEW JERSEY

ROSTER OF OFFICIALS

<u>AUTHORITY MEMBERS</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>	<u>AMOUNT OF SURETY</u>
James P. Nolan	Chairman	01/31/28	\$ 250,000
Paul Abbey	Vice Chairman	01/29/12 Hold Over	\$ 250,000
Christine D'Agostino	Secretary-Treasurer	01/29/14 Hold Over	\$ 250,000
Tashilee Vazquez	Commissioner	01/31/26	\$ 250,000
Lois Yukna	Commissioner	01/31/29	\$ 250,000

OTHER OFFICIALS

H. James Polos	Executive Director		\$ 250,000
William Brennan	Chief Financial Officer		\$ 300,000

SURETY COMPANY

Western Surety Company

## **GENERAL COMMENTS AND RECOMMENDATIONS**

**MIDDLESEX COUNTY IMPROVEMENT AUTHORITY  
COUNTY OF MIDDLESEX, NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2023**

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Middlesex County Improvement Authority, County of Middlesex, New Jersey, for the fiscal year ended December 31, 2023, has been completed. The General Comments are herewith set forth:

Cash Balances

Cash and investment balances were reconciled with independent certifications obtained directly from the depositories.

Contracts and Agreements Requiring Advertisement for Bids

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$44,000 except by contract or agreement.

It is pointed out that the Members of the Authority have the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

In as much as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. The results of our examination did not disclose any discrepancies.

The minutes indicate that bids were requested by public advertising and awarded by resolution for the various projects in the current fiscal year.

The minutes also indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

## GENERAL COMMENTS (continued)

### Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclose it to be a partial payment or estimate. The results of the examination did not disclose any discrepancies with respect to signatures, certification or supporting documentation.

### Property, Plant & Equipment

The property, plant and equipment subsidiary ledger was maintained properly and a reconciliation between the physical and perpetual inventory records was performed at year-end.

### Budget Adoption

The State of New Jersey requires that the Authority's operating and capital budgets be approved and adopted for each fiscal year. In accordance with the Bond Resolution, Section 610, the Authority adopted annual operating and capital budgets for the years ending December 31, 2023 and 2022.

### *Finding 2023-001 - Documentation of Employee Pay*

#### *Finding:*

Based on the tests performed, we believe that the Authority can improve its internal documentation related to employee salaries and pay rates that have been authorized by the Executive Director and the Authority's Board. Pay rate increases each year are approved by the Board, however, reconciliation of the exact amount paid to an employee each year to the approved salary is not clearly documented.

#### *Recommendation:*

We suggest that the Authority develop a standard method of documentation to ensure that pay rates are reconciled to approved salaries. Gross pay changes should be reconciled to the board approved salary prior to payment.

Follow-Up of Prior Years' Findings

In accordance with *Government Auditing Standards* and audit requirements prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, our procedures included a review of all prior year findings. There were no findings noted in the prior year.

ACKNOWLEDGMENT

During the course of our engagement we received the complete cooperation of the various officials and employees of the Authority, and the courtesies extended to us were greatly appreciated.

Very truly yours,

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**