ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
REPORT OF AUDIT
FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of the
Rockaway Valley Regional Sewerage Authority
99 Green Bank Road
Boonton, New Jersey 07005

Report on the Financial Statements

Opinion

We have audited the accompanying statement of net position of the Rockaway Valley Regional Sewerage Authority, as of and for the years ended December 31, 2025 and 2024 and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rockaway Valley Regional Sewerage Authority, as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the Management's Discussion and Analysis, schedule of the Authority's proportionate share of the net pension liability-PERS, schedule of the Authority's contributions-PERS and schedule of the Authority's proportionate share of the State OPEB Liability, as identified in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information listed in the table of contents and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the N.J. OMB Circular 25-12 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the N.J. OMB Circular 25-12 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2026 on our consideration of the Rockaway Valley Regional Sewerage Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rockaway Valley Regional Sewerage Authority's internal control over financial reporting and compliance.

Wielkotz & Company, LLC

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

October 13, 2026

Required Supplementary Information - Part I

Management Discussion and Analysis

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Rockaway Valley Regional Sewerage Authority, we offer the Authority's financial statements this narrative overview and analysis of the Authority's financial performance during the fiscal years ended December 31, 2025 and 2024. Please read this analysis in conjunction with the Authority's financial statements, which follow this section.

Financial Highlights

- The Authority's assets and deferred outflows exceeded its liabilities and deferred inflows of resources by $26,578,311 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities and deferred inflows of resources by $28,074,784.

- Total net position is comprised of the following:

  (1) Net investment in capital assets of $28,622,765 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt and unexpended funds related to the purchase or construction of capital assets.

  (2) Restricted of $98,116 are restricted by constraints imposed from outside the Authority such as debt covenants, grantors, laws, or regulations.

  (3) Unrestricted of $2,142,570 represent the portion available to maintain the Authority's continuing obligations to citizens and creditors.

- Total liabilities of the Authority decreased by $1,724,166 to $68,514,047 during the fiscal year.

Overview of the Financial Statements

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

Required Financial Statements

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

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

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

Notes to the Financial Statements

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

Other Information

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

Financial Analysis of the Authority

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

Net Position

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

The Authority's net position at fiscal year-end is $26,578,311. This is a $1,496,473 decrease over last year's net position of $28,074,784. A summary of the Authority's statement of net position is presented in the following table:

Condensed Statement of Net Position at December 31, 2025
With Comparative Prior Year Balances

	FY 2025	FY 2024	Dollar Change	Percent Change
Current Assets	33,324,326	35,951,201	(2,626,875)	(7.31)%
Capital Assets	61,998,947	61,678,673	320,274	0.52%
Total Assets	95,323,273	97,629,874	(2,306,601)	(2.36)%
Deferred Outflows of Resources	4,817,989	5,472,479	(654,490)	(11.96)%
Long-term Liabilities	20,259,476	36,995,907	(12,982,830)	(39.06)%
Current Liabilities	48,254,571	33,242,306	11,258,664	30.43%
Total Liabilities	68,514,047	70,238,213	(1,724,166)	(2.45)%
Deferred Inflows of Resources	5,08,904	4,789,356	259,548	5.42%
Net Investment in Capital Assets	28,622,765	29,683,463	(1,060,698)	(3.57)%
Restricted	98,116	98,461	(345)	(0.35)%
Unrestricted	(2,142,570)	(1,707,140)	(435,430)	25.51%
Total Net Position	26,578,311	28,074,784	(1,496,473)	(5.33)%

Net Position (Continued)

A summary of the Authority's prior year statement of net position is presented with comparative figures in the following table.

	FY 2024	FY 2023	Dollar Change	Percent Change
Current Assets	35,951,201	27,777,845	8,173,356	29.42%
Capital Assets	61,678,673	59,067,579	2,611,094	4.42%
Total Assets	97,629,874	86,845,424	10,784,450	12.42%
Deferred Outflows of Resources	5,472,479	5,433,284	39,195	0.72%
Long-term Liabilities	36,995,907	25,861,864	11,134,043	43.05%
Current Liabilities	33,242,306	31,309,035	1,933,271	6.17%
Total Liabilities	70,238,213	57,170,899	13,067,314	22.86%
Deferred Inflows of Resources	4,789,356	6,272,759	(1,483,403)	(23.65)%
Net Investment in Capital Assets	29,683,463	31,520,686	(1,837,223)	(5.83)%
Restricted	98,461	107,159	(8,698)	(8.12)%
Unrestricted	(1,707,140)	(2,792,765)	1,085,625	(38.87)%
Total Net Position	28,074,784	28,835,080	(760,296)	(2.64)%

Net Position (Continued)

**Condensed Statement of Revenues, Expenses
And Changes in Net Position for the Year Ending
December 31, 2025 with Comparative Prior Year Balances**

	FY 2025	FY 2024	Dollar Change	Percent Change
Operating Revenues	12,619,901	11,952,750	667,151	5.58%
Non-operating Revenues	403,753	641,903	(238,150)	(37.10)%
Total Revenues	13,023,654	12,594,653	429,001	3.41%
Depreciation	3,760,438	3,499,189	261,249	7.47%
Other Operating Expenses	10,037,071	9,490,701	546,370	5.76%
Other Non-operating Expense	722,618	365,059	357,559	97.95%
Total Expenses	14,520,127	13,354,949	1,165,178	8.72%
Change in Net Position	(1,496,473)	(760,296)	(736,177)	96.83%
Beginning Net Position	28,074,784	28,835,080	(760,296)	(2.64)%
Ending Net Position	26,578,311	28,074,784	(1,496,473)	(5.33)%

The Authority's operating revenues increased by $667,151 to $12,619,901 in fiscal year 2025 from $11,952,750 in 2024. This increase is primarily due to an increase in revenue from service agreements.

Net Position (Continued)

A summary of the Authority's prior year statement of revenues, expenses and changes in net position is presented with comparative fiscal year figures in the following table.

**Condensed Statement of Revenues, Expenses
And Changes in Net Position for the Year Ending
December 31, 2024 with Comparative Prior Year Balances**

	FY 2024	FY 2023	Dollar Change	Percent Change
Operating Revenues	11,952,750	11,535,282	417,468	3.62%
Non-operating Revenues	641,903	1,473,064	(831,161)	(56.42)%
Total Revenues	12,594,653	13,008,346	(413,693)	(3.18)%
Depreciation	3,499,189	3,105,850	393,339	12.66%
Other Operating Expenses	9,490,701	8,364,237	1,126,464	13.47%
Other Non-operating Expense	365,059	737,056	(371,997)	(50.47)%
Total Expenses	13,354,949	12,207,143	1,147,806	9.40%
Change in Net Position	(760,296)	801,203	(1,561,499)	(194.89)%
Beginning Net Position	28,835,080	28,033,877	801,203	2.86%
Ending Net Position	28,074,784	28,835,080	(760,296)	(2.64)%

Budgetary Highlights

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

Budgetary Highlights (Continued)

The following tables provide a budget comparison for FY 2025 and FY 2024:

Budget vs. Actual
FY 2025

	Budget	Actual	Variance
Revenues:			
Operating	12,945,000	13,463,375	(518,375)
Expenses:			
Operating	10,853,550	10,099,475	754,075
Non-Operating	2,091,450	1,913,697	177,753
	12,945,000	12,013,172	931,828
Income before Depreciation	-	1,450,203	1,450,203

Budget vs. Actual
FY 2024

	Budget	Actual	Variance
Revenues:			
Operating	12,184,420	12,709,556	525,136
Expenses:			
Operating	10,555,450	9,926,380	629,070
Non-Operating	1,628,970	1,625,859	3,111
	12,184,420	11,552,239	632,181
Income before Depreciation	0	1,157,317	1,157,317

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Authority's net property, plant and equipment at fiscal year end was $61,998,947. This is a 320,274 increase over last year's net property, plant and equipment of $61,678,673. A summary of the Authority's capital assets is presented in the following table:

CAPITAL ASSETS

	FY 2025	FY 2024	Dollar Change
Land	$859,400	$859,400	$-0-
Buildings and Interceptors	124,610,240	111,293,854	13,316,386
Machinery and Equipment	14,727,743	14,319,058	408,685
Less: Accumulated Depreciation	(86,612,399)	(83,510,710)	(3,101,689)
Construction in Progress	8,413,963	18,717,071	(10,303,108)
	$61,998,947	$61,678,673	320,274

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

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

Sewer

Administrative Capital Projects:	
Computer Plotter & Software	$20,000
File Cabinet/Furniture	5,000
Security Surveillance	8,000
Miscellaneous	8,000
Engineering Capital Projects:	
Infrastructure Upgrade	118,000
Electrical Breakers	40,000
Building Misc. Upgrade	108,000
Emergency Utility Substation	100,000
JC Sewer Replacement	400,000
Old Admin Building Design/ Update	310,000
Old Ditch/Elevator/BF Preventor	350,000
Boonton Siphons Canal Side Park	100,000
Effluent Meter Replacement	300,000
Elevator Replacement	600,000
IPP Equipment - Protable Sampler	4,650
Laboratory Capital Projects:	
Laboratory Equipment	28,000
Operation Capital Projects:	
Oxidation Equipment	95,000
Pumping Equipment	185,000
Vehicles	150,000
Facilities Building Repair	140,000
Miscellaneous Equipment	352,250
Trunkline Capital Projects:	
Trunkline Equipment	139,200
Trunkline Misc. Equipment	302,000
Environment Infrastructure Trust Program:	
NJEIT Phosphorous	1,000,000
NJEIT Boonton Siphon I/O Wash	300,000
NJEIT Emergency Generator	13,500,000
NJEIT Emergency Utility Substation	15,000,000
NJEIT Old Admin Building Upgrade	5200,000
Total	$ 38,863,100

Debt Administration

At December 31, 2025, the Authority had outstanding New Jersey Environmental Infrastructure Fund bonds of $24,941,117 (gross). The debt service schedule has a final maturity in 2054. Full details of the specific bond issues outstanding are found in Note 6 to the financial statements and the supplementary schedules. The Authority also had outstanding $17,058,761 in temporary financing through the New Jersey Infrastructure Bank ("NJIB").

Economic Factors, Future Years' Budgets and Rates

The Commissioners and management of the Authority consider many factors when preparing each year's budget and annual charges. Two of the main factors are growth in the Authority's system and new regulations issued by the State and Federal governments.

Contacting the Authority

This financial report is designed to provide our customers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the fees it receives. If you have any questions about this report or need additional information, contact the Executive Director of the Rockaway Valley Regional Sewerage Authority, 99 Green Bank Road, Boonton, New Jersey 07005.

Financial Statements

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

EXHIBIT A

STATEMENT OF NET POSITION

DECEMBER 31,

	2025	2024
ASSETS		
Current Assets:		
Unrestricted:		
Cash and Cash equivalents	$ 10,651,609	$ 10,540,975
Accounts Receivable, net	12,841,717	11,823,181
Accrued Interest Receivable	26,183	57,672
NJIB Receivable		683,036
Total Unrestricted Assets	23,519,509	23,104,864
Restricted:		
State Unemployment Insurance:		
Cash and Cash equivalents	98,116	98,461
New Jersey Infrastucture Bank:		
NJIB Receivable	9,706,701	12,747,876
Total Restricted Assets	9,804,817	12,846,337
Non-Current Assets:		
Capital Assets:		
Land	859,400	859,400
Buildings and Interceptors	124,610,240	111,293,854
Machinery and Equipment	14,727,743	14,319,058
Less: Accumulated Depreciation	(86,612,399)	(83,510,710)
Construction in Progress	8,413,963	18,717,071
Total Capital Assets	61,998,947	61,678,673
TOTAL ASSETS	$ 95,323,273	$ 97,629,874
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows:		
Pension-Related Deferred Outflows	694,234	809,152
OPEB-Related Deferred Outflows	4,123,755	4,663,327
Total Deferred Outflows of Resources	$ 4,817,989	$ 5,472,479

The accompanying "Notes to the Financial Statements" are an integral part of this report.

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

STATEMENT OF NET POSITION

DECEMBER 31,

	2025	2024
LIABILITIES		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable	$ 855,606	$ 989,340
Accounts Payable - Pension-Related	475,359	475,876
Accrued Interest on NJIB Bonds	143,689	116,140
Bonds Payable	1,271,715	936,402
Notes Payable	6,000,000	19,920,273
Unearned Revenue	11,188,633	10,169,969
Total Payable from Unrestricted Assets	19,935,002	32,608,000
Payable from Restricted Assets:		
Accounts Payable - Construction Fund	424,315	634,306
Total Payable from Restricted Assets	424,315	634,306
Total Current Liabilities	20,359,317	33,242,306
Non-Current Liabilities:		
Bonds Payable	23,669,402	11,763,649
Notes Payable	11,058,761	11,058,761
Net Pension Obligation	4,280,044	4,752,010
Net OPEB Obligation	9,146,523	9,421,487
Total Non-Current Liabilities	48,154,730	36,995,907
TOTAL LIABILITIES	$ 68,514,047	$ 70,238,213

The accompanying "Notes to the Financial Statements" are an integral part of this report.

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

STATEMENT OF NET POSITION

DECEMBER 31,

	2025	2024
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows:		
Unamortized Premium on Bonds	$ 485,593	$ 215,519
Pension-Related Deferred Inflows	529,082	479,863
OPEB-Related Deferred Inflows	3,861,132	3,879,798
Deferred Savings on Refunded Bond	173,097	214,176
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 5,048,904	$ 4,789,356
NET POSITION		
Net Investment in Capital Assets	28,622,765	29,683,463
Restricted:		
State Unemployment Insurance	98,116	98,461
Unrestricted:		
Designated	7,576,095	5,923,998
Undesignated	(9,718,665)	(7,631,138)
TOTAL NET POSITION	$ 26,578,311	$ 28,074,784

The accompanying "Notes to the Financial Statements" are an integral part of this report.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

DECEMBER 31,

	2025	2024
Operating Revenue:		
Service Agreements	$ 11,808,250	$ 11,311,170
User Charges and Fees	294,883	298,286
Sewer Permits	-	24,695
IPP Surcharge/TWA Application Fees	116,303	113,972
Industrial Annual Fees/Industrial User Fines	150,554	66,900
Miscellaneous	179,758	87,859
Interest Income	70,153	49,868
Total Operating Revenue	12,619,901	11,952,750
Operating Expenses:		
Cost of Providing Services	5,303,373	5,347,613
Employee Benefits	2,030,011	1,443,193
Administrative and General	2,703,687	2,699,895
Depreciation Expense	3,760,438	3,499,189
Total Operating Expenses	13,797,509	12,989,890
Operating Income	(1,177,608)	(1,037,140)
Non-Operating Revenue (Expenses):		
Interest on Investments	343,474	556,806
Interest Expense and NJEIT Fees	(460,735)	(252,731)
Amortization of Bond Premium	60,279	76,399
Unemployment Fund-Net	(345)	8,698
Debt Service Reserve Credit	(106,367)	(112,328)
Cost of Issuance	(155,171)	
Non-Operating Income (Loss)	(318,865)	276,844
Change In Net Position	(1,496,473)	(760,296)
Net Position - January 1,	28,074,784	28,835,080
Net Position - December 31	$ 26,578,311	$ 28,074,784

The accompanying "Notes to the Financial Statements" are an integral part of this report.

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 13,126,545	$ 11,799,341
Cash Paid to Vendors and Employees	(10,448,486)	(9,414,989)
Interest Received	70,153	49,868
Net Cash Provided by Operating Activities	2,748,212	2,434,220
Cash Flow from Investing Activities:		
Interest Received	374,963	499,134
Net Cash Provided by (used in) Investing Activities	374,963	499,134
Cash Flow from Financing Activities:		
Capital Expenditures	(4,290,703)	(5,725,689)
Interest Paid	(372,907)	(209,131)
NJEIT Reimbursements Received	3,041,175	4,451,920
Repayment of Loan Payable	(13,920,273)	
Proceeds from NJEIT bonds payable	13,533,301	
Principal Payment on Bonds	(1,002,962)	(923,128)
Net Cash Used in Financing Activities	(3,012,369)	(2,406,028)
Net Increase/(Decrease) in Cash and Cash Equivalents	110,806	527,326
Cash and Cash Equivalents at Beginning of Year	10,639,436	10,112,110
Cash and Cash Equivalents at End of Year	$ 10,750,242	$ 10,639,436
Classified as:		
Unrestricted Assets	10,651,609	10,540,975
Restricted Assets	98,116	98,461
	10,749,725	10,639,436

The accompanying "Notes to the Financial Statements" are an integral part of this report.

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
OPERATING INCOME	$ (1,177,608)	$ (1,037,140)
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:		
Depreciation	3,760,438	3,499,189
(Increase) Decrease in Receivables	(335,500)	(1,093,844)
Increase (Decrease) in Payables	(133,734)	502,691
Increase (Decrease) in Pension-Related Activity	(523,623)	(400,142)
Decrease in Debt Service Reserve	(106,367)	
Increase (Decrease) in OPEB-Related Activity	245,942	(26,837)
Increase (Decrease) in Unearned Revenues	1,018,664	990,303
Total Adjustments	3,925,820	3,471,360
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 2,748,212	$ 2,434,220

The accompanying "Notes to the Financial Statements" are an integral part of this report.

Notes to Financial Statements

NOTE 1. GENERAL

The Rockaway Valley Regional Sewerage Authority (the "Authority") is a public body corporate and politic of the State of New Jersey, governed by ten members appointed by its participant municipalities and the City of Jersey City.

The Authority was created and organized in 1971 under and pursuant to the State Municipal Utilities Authorities Law (P.L. 1957, Chapter 183).

The Rockaway Valley Regional Sewerage Authority was created to operate a wastewater collection and treatment system to serve nine member municipalities (Denville, Randolph, Boonton Township, Town of Boonton, Rockaway Borough, Rockaway Township, Dover, Wharton, and Victory Gardens) in Morris County, New Jersey. The Authority bills and collects its revenue from users of the system, and the City of Jersey City under a stipulation of settlement. The Authority has entered into an agreement with its member municipalities and Jersey City, obligating each municipality to guarantee its proportionate share of the Authority's debt service, to the extent not met by other sources.

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

Component Unit

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

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

NOTE 1. GENERAL, (continued)

Component Unit, (continued)

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies:

A. Basis of Presentation

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

On January 1, 2012, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which amends the net position reporting requirement of Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and other pronouncements by incorporating deferred outflows from resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The classifications of net position are defined as follows:

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Basis of Presentation, (continued)

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

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

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

B. Basis of Accounting

The Rockaway Valley Regional Sewerage Authority prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Under the accrual basis of accounting, revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

C. Reporting Entity

The Authority's financial statements include the accounts of all Authority operations. The primary criterion for including activities within the Authority's reporting entity, is set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. Based on this criteria, the Authority is a legally separate organization and has no component units.

D. Risks of Loss

The Authority purchases commercial insurance policies on an annual basis to handle risks of loss associated with property, auto, liability, workers compensation, flood damage, and employee crime coverage. Any potential liability of the Authority with respect to loss claims would be equal to the deductibles associated with the policies and an event, which may exceed policy coverage limits.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Grants

Contributions received from the U.S. Environmental Protection Agency, U.S. Department of Homeland Security and N.J. Department of Environmental Protection are recorded in the period in which they are awarded.

Grants receivable, if any, represent the total grant awards less amounts collected to date. Grants, if any, not internally restricted and utilized to finance operations are identified as non-operating revenue. Grants externally restricted for non-operating purposes are recorded as contributed capital and identified as grants-in-aid.

F. Inventories of Materials and Supplies

The cost of inventories, primarily chemicals for the treatment of sewerage and sludge, are recorded as expenditures at the time individual items are purchased, since they are not material to the results of operations and financial position.

G. Unearned Revenue

Unearned revenue arise when assets are recognized before revenue recognition criteria has been satisfied. The Authority's participating municipalities are advancing funds to offset the loss of revenue that the City of Jersey City has been withholding for their portion of the debt service charge. These advances will be either returned to the participants or realized as revenue when the final disposition of the litigation is resolved (See Note 9 – Jersey City Municipal Utilities Authority, et al., v. Town of Dover, et als.).

H. Property, Plant and Equipment

Property, Plant and Equipment is stated at cost which includes direct construction costs and other expenditures related to construction. Land is stated at approximate fair market value as of the date it was donated to the Authority or at the purchase price if purchased by the Authority.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

H. Property, Plant and Equipment, (continued)

Depreciation is determined on a straight-line basis for all plant and equipment. Depreciation is provided over the following estimated useful lives:

Building and Improvements	20-50 Years
Sewer Mains and Interceptors	50 Years
Machinery and Equipment	10-20 Years
Furniture and Fixtures	5 Years
Vehicles	3-10 Years

Depreciation on assets acquired with grants-in-aid and contributed capital assets is recorded as a reduction of contributed capital.

A summary of the changes in property, plant and equipment at December 31, 2025 and 2024 are as follows:

	Balance FY 2024	Net Additions	Disposals	Balance FY 2025
Land	$859,400	$ -	$ -	$859,400
Buildings and Interceptors	111,293,855	13,316,385	-	124,610,240
Machinery and Equipment	14,319,058	1,067,436	658,751	14,727,743
Construction in Progress	18,717,071	4,213,822	14,516,929	8,413,963
	145,189,384	18,597,641	15,175,680	148,611,346
Less: Accumulated Depreciation	(83,510,710)	(3,725,806)	(624,117)	(86,612,399)
Property, Plant and Equipment, Net	$61,678,674	$14,871,835	$14,551,563	$61,998,947

	Balance FY 2023	Net Additions	Disposals	Balance FY 2024
Land	$859,400	$	$	$859,400
Buildings and Interceptors	111,293,855			111,293,855
Machinery and Equipment	13,546,332	994,374	221,648	14,319,058
Construction in Progress	13,601,161	5,115,910		18,717,071
	139,300,748	6,110,284	221,648	145,189,384
Less: Accumulated Depreciation	(80,233,169)	3,499,189	221,648	(83,510,710)
Property, Plant and Equipment, Net	$59,067,579	$2,611,095	$0	$61,678,674

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

I. Restricted and Designated Accounts

State Unemployment Insurance

The Authority is a participant in the New Jersey State Unemployment Fund. The Authority has selected the reimbursement method for payment of unemployment compensation claims. The employer and employee contribute to a restricted fund of the Authority. The State Fund is then reimbursed from the Authority's restricted fund based on actual payments made by the State.

Designated Accounts

The Authority has established the following designated unrestricted accounts:

Capital Replacement Reserve

The Authority established this account in order to provide funds for capital projects to be funded on an ongoing basis.

Renewal and Replacement

Pay for emergency and non-recurring repairs, etc. Holds amounts needed for replacement of assets at the Authority's discretion.

Construction Reserve

The Authority established this account to provide funds for future construction projects.

Debt Service Reserve

The Authority established this account to provide funds for future debt service payments.

J. Unamortized Premium on Bonds

Premiums paid in connection with the Series 2007, 2010, 2012, 2018, 2019, and 2021 bond issues are being amortized over the life of the issues.

K. Operating Fund Budget

The budget amounts included in the statement of budget revenues and statement of budget expenditures were approved in accordance with the requirements of the "Local Finance Board" of the State of New Jersey, and were adopted by the Commissioners after legal advertisement and public hearing.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of net position, and reported amounts of revenues and expenses during the reporting period. These estimates and assumptions include depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results may differ from those estimates.

M. Sick and Vacation Leave

Authority employees are granted varying amounts of sick leave in accordance with the Authority's personnel policy and union agreements. Any unused sick leave is generally paid in full to the employee at the end of the year and not accumulated into future periods.

N. Net Position

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

O. Recent Accounting Pronouncements

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

O. Recent Accounting Pronouncements, (continued)

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

In December 2025, the Governmental Accounting Standards Board issued GASB Statement No. 105, *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. The Statement defines the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) all approvals necessary for issuance have been obtained. This Statement also requires governments to disclose the date through which subsequent events have been evaluated. In addition, the Statement clarifies the distinction between recognized and nonrecognized subsequent events and establishes specific note disclosure requirements for nonrecognized subsequent events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged. The Authority is determining what effects, if any, this pronouncement will have on future financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

O. Recent Accounting Pronouncements, (continued)

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The Authority is determining what effects, if any, this pronouncement will have on future financial statements.

P. Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for services. Operating expenses include the cost of operations and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses. State and federal grants for the operation of the Authority are considered operating revenues. Transactions or other events that are both unusual in nature and infrequent in occurrence are reported as extraordinary items.

NOTE 3. CASH AND CASH EQUIVALENTS

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

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. 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.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

NOTE 3. CASH AND CASH EQUIVALENTS, (continued)

All collateral must be deposited with the Federal Reserve Bank of New York, The Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

As of December 31, 2025, the Authority's cash and cash equivalents are summarized as follows:

	Money Market/CD and Checking Accounts	NJ Cash Management Fund	Total
Unrestricted	$10,428,368	$223,241	$10,651,609
Restricted	98,116	-	98,116
	$10,526,484	$10,526,484	$10,749,725

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

As of December 31, 2025, the Authority had $223,241 on deposit with the New Jersey Cash Management Fund.

NOTE 3. CASH AND CASH EQUIVALENTS, (continued)

The carrying amount of the Authority's cash and cash equivalents at December 31, 2025 was $10,749,725 and the bank balance was $10,851,908. This entire amount was covered by federal depository insurance and the collateral pool maintained by the banks as required by New Jersey Statutes.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The Authority's policy is based on New Jersey statutes requiring cash be deposited only in New Jersey based on banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in a qualified investment established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2025, $-0- of the Authority's bank balance of $10,851,908 was exposed to custodial risk.

NOTE 4. NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

The Authority issued bonds in 2007, 2010, 2015, 2018 , 2019, 2021 and 2022 through the Trust to finance the improvement to the treatment facilities. The proceeds of the Bonds are held by the Trust until the Authority expends funds on the project. The Authority then submits for reimbursement of these expenditures from the Trust. The following is the remaining amount of funds to be received by the Trust:

	Balance Dec.31,2024	Loans Authorized	Less: Amounts Received	Less: Amounts Cancelled	Balance Dec.31, 2025
Project No. S340821-08 (Phosphorous):					
Fund Portion	$519,172	$	$ 519,172	$	$ -
Trust Portion	519,172		519,172		-
Project No. S340821-10 (Interceptor)					
Fund Portion	935,953		500,477		435,476
Trust Portion	935,953		500,477		435,476
Project No. S340821-11 (Generators)					
Fund Portion	5,260,331		842,456		4,417,875
Trust Portion	5,260,331		842,457		4,417,874
	$13,430,912	$	$3,724,211	$0	$9,706,701

Unrestricted	683,036	0
Restricted	12,747,876	9,706,701
	$13,430,912	$9,706,701

NOTE 4. NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, (continued)

These funds shall be disbursed to the Authority under the terms of its loan agreements with the New Jersey Environmental Infrastructure Trust.

	Balance Dec.31,2023	Loans Authorized	Less: Amounts Received	Less: Amounts Cancelled	Balance Dec.31, 2024
Project No. S340821-08 (Phosphorous):					
Fund Portion	$621,628	$	$102,456	$	$519,172
Trust Portion	621,628		102,456		519,172
Project No. S340821-10 (Interceptor)					
Fund Portion	2,790,409		1,854,456		935,953
Trust Portion	2,790,408		1,854,455		935,953
Project No. S340821-11 (Generators)					
Fund Portion		5,529,381	269,050		5,260,330
Trust Portion		5,529,380	269,049		5,260,330
	$6,824,073	$11,058,761	$4,451,922	$0	$13,430,912
Unrestricted	71,711				683,036
Restricted	6,752,362				12,747,876
	$6,824,073				$13,430,912

NOTE 5. BONDS PAYABLE

The Authority has issued and has outstanding the following bonds as of December 31, 2025 and 2024.

	Balance Dec. 31, 2024	Issued	Retirements/ Repayments	Balance Dec. 31, 2025
Series 2010 NJ Environmental Infrastructure Trust and Fund Bonds	$761,616	$	$150,924	$610,692
Series 2012 NJ Environmental Infrastructure Trust and Fund Bonds	1,284,760		173,485	1,111,275
Series 2015 NJ Environmental Infrastructure Trust Bonds	817,000		260,000	557,000
Series 2018A-2 NJ Environmental Infrastructure Trust and Fund Bonds	1,404,491		52,687	1,351,804
Series 2019A-1 NJ Environmental Infrastructure Trust and Fund Bonds	1,892,072		72,378	1,819,694
Series 2021 NJ Environmental Infrastructure Trust and Fund Bonds	5,842,938		201,652	5,641,286
Series 2022 A-2 NJ Environmental Infrastructure Trust and Fund Bonds	697,174		25,276	671,898
Series 2025 A-SW1 NJ Environmental Infrastructure Trust and Fund Bonds		8,335,163		8,335,163
Series 2025 A-C SW1 NJ Environmental Infrastructure Trust and Fund Bonds	-	4,908,866	66,561	4,842,305
	$12,700,051	$13,244,029	$1,002,963	$24,941,117
Due Within One Year	936,402			1,171,874
Long-Term Debt	11,763,649			23,769,243
	$12,700,051			$24,941,117

NOTE 5. BONDS PAYABLE, (continued)

	Balance Dec. 31, 2023	Issued	Retirements/ Repayments	Balance Dec. 31, 2024
Series 2010 NJ Environmental Infrastructure Trust and Fund Bonds	$912,540	$	$150,924	$761,616
Series 2012 NJ Environmental Infrastructure Trust and Fund Bonds	1,458,972		174,212	1,284,760
Series 2015 NJ Environmental Infrastructure Trust Bonds	1,063,000		246,000	817,000
Series 2018A-2 NJ Environmental Infrastructure Trust and Fund Bonds	1,457,178		52,687	1,404,491
Series 2019A-1 NJ Environmental Infrastructure Trust and Fund Bonds	1,964,450		72,378	1,892,072
Series 2021 NJ Environmental Infrastructure Trust and Fund Bonds	6,044,587		201,649	5,842,938
Series 2022 DL NJ Environmental Infrastructure Trust and Fund Bonds	0			0
Series 2022 A-2 NJ Environmental Infrastructure Trust and Fund Bonds	722,450		25,276	697,174
	$13,623,177	$	$923,126	$12,700,051
Due Within One Year	923,128			936,402
Long-Term Debt	12,700,049			11,763,649
	$13,623,177			$12,700,051

Presented below is a summary of debt service requirements to maturity for all permanently financed bonds:

Year	Principal	Interest	Total
2026	$1,271,715	$447,120	$1,718,835
2027	1,301,552	430,838	1,732,390
2028	1,039,234	414,803	1,454,037
2029	1,044,247	397,817	1,442,064
2030	903,888	381,029	1,284,917
2031-2035	3,957,278	1,690,813	5,648,091
2036-2040	4,078,863	1,332,623	5,411,486
2041-2045	4,427,684	974,609	5,402,294
2046-2050	4,508,634	576,240	5,084,874
2051-2054	2,408,020	161,994	2,570,014
	$24,941,117	$6,807,884	$31,749,001

NOTE 5. BONDS PAYABLE, (continued)

Series 2010 NJ Environmental Infrastructure Trust Bonds

On March 10, 2010, the Authority issued $2,817,500 Series 2010 Subordinate Bonds through the New Jersey Environmental Infrastructure Trust Program. These bonds are being used for improvements to the treatment facilities. On January 17, 2017, these bonds were internally refunded by the New Jersey Environmental Infrastructure Trust, resulting in a savings of $26,000 in principal and $13,141 in interest.

Principal and interest due on outstanding 2010A bonds to maturity is as follows:

	NJEIT SERIES 2010A			
	Trust Portion		Fund Portion	Total
Year	Principal	Interest	Principal	Debt Service
2026	$42,000	$7,160	$107,924	$157,084
2027	43,000	5,480	107,924	156,404
2028	47,000	3,760	107,924	158,684
2029	47,000	1,882	107,920	156,802
	$179,000	$18,282	$431,692	$628,974

NOTE 5. BONDS PAYABLE, (continued)

Series 2012 NJ Environmental Infrastructure Trust Bonds

On May 3, 2012, the Authority issued $3,165,646 Series 2012 Subordinate Bonds through the New Jersey Environmental Infrastructure Trust Program. These bonds are being used for replacing existing screenings removal and grit removal equipment, installing cover channels, providing odor control systems, installing new HVAC system, installing motorized operators on influent sluice gates, replacing all gas detection and oxygen monitoring instrumentation, replacing existing temporary truck dewatering pad with permanent structure, and replacing corroded piping. In 2021, these bonds were internally refunded by the New Jersey Environmental Infrastructure, resulting in a savings of $48,275 in principal and $48,485 in interest.

Principal and interest due on outstanding 2020 bonds to maturity is as follows:

	NJEIT SERIES 2012			
	Trust Portion		Fund Portion	Total
Year	Principal	Interest	Principal	Debt Service
2026	90,041	18,514	87,356	195,911
2027	93,877	14,913	87,356	196,146
2028	98,560	12,097	87,356	198,013
2029	98,576	9,140	87,356	195,072
2030	103,138	6,183	87,356	196,677
2031	102,946	3,088	87,357	193,391
	$587,138	$63,935	$524,137	$1,175,210

NOTE 5. BONDS PAYABLE, (continued)

Series 2015 NJ Environmental Infrastructure Trust Bonds

On November 24, 2015, the Authority issued $2,824,000 Series 2015 Subordinate Refunding Bonds through the New Jersey Environmental Infrastructure Trust Program. These bonds are being used to refund outstanding trust principal of the Series 2007A NJEIT bonds.

Principal and interest due on outstanding 2018 bonds to maturity is as follows:

	NJEIT SERIES 2015	
	Fund Portion	Total
Year	Principal	Debt Service
2026	271,000	271,000
2027	286,000	286,000
	$557,000	$557,000

NOTE 5. BONDS PAYABLE, (continued)

Series 2018 A-2 NJ Environmental Infrastructure Bank Trust Bonds

On November 29, 2018, the Authority issued $1,691,385 Series 2018 A-2 Subordinate Bonds through the New Jersey Environmental Trust Program. These bonds are being used for improvements to the treatment facilities:

Principal and interest due on outstanding 2018 A-2 bonds to maturity is as follows:

	NJEIT SERIES 2018A-2			
	Trust Portion		Fund Portion	Total
Year	Principal	Interest	Principal	Debt Service
2026	10,000	15,000	42,687	67,687
2027	10,000	14,500	42,687	67,187
2028	10,000	14,000	42,687	66,687
2029	10,000	13,600	42,687	66,287
2030	10,000	13,200	42,688	65,888
2031	10,000	12,800	42,687	65,487
2032	15,000	12,400	42,687	70,087
2033	15,000	11,800	42,687	69,487
2034	15,000	11,200	42,687	68,887
2035	15,000	10,600	42,687	68,287
2036	15,000	10,000	42,687	67,687
2037	15,000	9,400	42,688	67,088
2038	15,000	8,800	42,687	66,487
2039	15,000	8,200	42,687	65,887
2040	20,000	7,600	42,687	70,287
2041	20,000	6,800	42,687	69,487
2042	20,000	6,000	42,687	68,687
2043	20,000	5,200	42,688	67,888
2044	20,000	4,400	42,687	67,087
2045	20,000	3,600	42,687	66,287
2046	20,000	2,800	42,687	65,487
2047	25,000	2,000	42,687	69,687
2048	25,000	1,000	42,687	68,687
	$370,000	$204,900	$981,804	$1,556,704

NOTE 5. BONDS PAYABLE, (continued)

Series 2019 A-1 NJ Environmental Infrastructure Bank Trust Bonds

On May 23, 2019, the Authority issued $2,277,214 Series 2019 A-1 Subordinate Bonds through the New Jersey Environmental Trust Program. These bonds are being used for improvements to the treatment facilities:

Principal and interest due on outstanding 2019 A-1 bonds to maturity is as follows:

	NJEIT SERIES 2019 A-1			
	Trust Portion		Fund Portion	Total
Year	Principal	Interest	Principal	Debt Service
2026	15,000	15,125	57,378	87,503
2027	15,000	14,375	57,378	86,753
2028	15,000	13,625	57,378	86,003
2029	15,000	12,875	57,378	85,253
2030	20,000	12,575	57,378	89,953
2031	20,000	12,175	57,378	89,553
2032	20,000	11,750	57,378	89,128
2033	20,000	11,300	57,378	88,678
2034	20,000	10,800	57,378	88,178
2035	20,000	10,200	57,378	87,578
2036	20,000	9,600	57,378	86,978
2037	20,000	9,000	57,378	86,378
2038	20,000	8,400	57,378	85,778
2039	20,000	7,800	57,378	85,178
2040	25,000	7,200	57,378	89,578
2041	25,000	6,450	57,378	88,828
2042	25,000	5,700	57,378	88,078
2043	25,000	4,950	57,378	87,328
2044	25,000	4,200	57,378	86,578
2045	25,000	3,450	57,378	85,828
2046	30,000	2,700	57,378	90,078
2047	30,000	1,800	57,378	89,178
2048	30,000	900	57,378	88,278
	$500,000	$196,950	$1,319,694	$2,016,644

NOTE 5. BONDS PAYABLE, (continued)

Series 2021 A-1 NJ Environmental Infrastructure Bank Trust Bonds

On June 10, 2021, the Authority issued $6,553,991 Series 2021 A-1 Subordinate Bonds through the New Jersey Environmental Trust Program. These bonds are being used for Find Clarifier Repair:

Principal and interest due on outstanding 2021 A-1 bonds to maturity is as follows:

	NJEIT SERIES 2021 A-1			
	Trust Portion		Fund Portion	Total
Year	Principal	Interest	Principal	Debt Service
2026	40,000	40,038	166,651	246,689
2027	40,000	38,037	166,652	244,689
2028	45,000	36,038	166,651	247,689
2029	45,000	33,787	166,652	245,439
2030	45,000	31,538	166,651	243,189
2031	50,000	29,737	166,652	246,389
2032	50,000	28,238	166,651	244,889
2033	50,000	26,737	166,652	243,389
2034	55,000	25,238	166,651	246,889
2035	55,000	23,587	166,652	245,239
2036	55,000	21,938	166,651	243,589
2037	60,000	20,837	166,652	247,489
2038	60,000	19,038	166,651	245,689
2039	60,000	17,237	166,652	243,889
2040	65,000	16,038	166,651	247,689
2041	65,000	14,737	166,652	246,389
2042	65,000	13,438	166,651	245,089
2043	65,000	12,137	166,652	243,789
2044	70,000	10,838	166,651	247,489
2045	70,000	9,437	166,652	246,089
2046	70,000	8,038	166,651	244,689
2047	70,000	6,637	166,651	243,288
2048	75,000	5,063	166,651	246,714
2049	75,000	3,375	166,651	245,026
2050	75,000	1,687	166,652	243,339
	$1,475,000	$493,450	$4,166,286	$6,379,925

NOTE 5. BONDS PAYABLE, (continued)

Series 2022 A-2 NJ Environmental Infrastructure Bank Trust Bonds

On December 22, 2022, the Authority issued $735,967 Series 2022 A-2 Residual Loan Subordinate Bonds through the New Jersey Environmental Trust Program. These bonds are being used for Final Clarifier Repairs:

Principal and interest due on outstanding 2022 A-2 bonds to maturity is as follows:

	NJEIT SERIES 2022 A-2			
	Trust Portion		Fund Portion	Total
Year	Principal	Interest	Principal	Debt Service
2026	5,000	8,250	20,276	33,526
2027	5,000	8,000	20,276	33,276
2028	5,000	7,750	20,276	33,026
2029	5,000	7,500	20,276	32,776
2030	5,000	7,250	20,276	32,526
2031	5,000	7,000	20,276	32,276
2032	5,000	6,750	20,276	32,026
2033	5,000	6,500	20,276	31,776
2034	5,000	6,250	20,276	31,526
2035	5,000	6,000	20,276	31,276
2036	5,000	5,750	20,276	31,026
2037	5,000	5,500	20,276	30,776
2038	5,000	5,250	20,276	30,526
2039	5,000	5,000	20,276	30,276
2040	5,000	4,750	20,276	30,026
2041	5,000	4,500	20,276	29,776
2042	5,000	4,250	20,276	29,526
2043	10,000	4,000	20,276	34,276
2044	10,000	3,500	20,276	33,776
2045	10,000	3,000	20,275	33,275
2046	10,000	2,500	20,276	32,776
2047	10,000	2,000	20,276	32,276
2048	10,000	1,500	20,276	31,776
2049	10,000	1,000	20,276	31,276
2050	10,000	500	20,275	30,775
	$165,000	$124,250	$506,898	$796,148

NOTE 5. BONDS PAYABLE, (continued)

Series 2025 A-SW1 and Series 2025 C-SW1 NJ Environmental Infrastructure Bank Trust Bonds

On May 15, 2025, the Authority issued $8,335,163 Series 2025 A-SW1 and $4,908,866 Series 2025 C-SW1 Subordinate Bonds through the New Jersey Infrastructure Bank. These bonds are being used for Phosphorus & Infiltration Project:

Principal and interest due on outstanding 2025 A-SW1 and 2025 A-C-SW1 bonds to maturity is as follows:

	NJIB SERIES 2025A-SW1 Trust Portion		NJIB SERIES 2025C-SW1 Fund Portion	Total
Year	Principal	Interest	Principal	Debt Service
2026	150,000	343,033	66,561	659,435
2027	160,000	335,533	166,402	661,935
2028	170,000	327,533	166,402	663,935
2029	175,000	319,033	166,402	660,435
2030	180,000	310,283	166,402	656,685
2031	190,000	301,283	166,402	657,685
2032	200,000	291,783	166,402	658,185
2033	210,000	281,783	166,402	658,185
2034	215,000	271,283	166,402	652,685
2035	230,000	260,533	166,402	656,935
2036	230,000	249,033	166,402	645,435
2037	250,000	237,533	166,402	653,935
2038	260,000	225,033	166,402	651,435
2039	279,734	212,033	166,402	658,169
2040	282,155	201,654	166,402	650,212
2041	292,002	191,186	166,402	649,591
2042	301,715	180,353	166,402	648,470
2043	311,287	169,160	166,402	646,849
2044	320,715	157,611	166,402	644,728
2045	334,992	145,712	166,402	647,107
2046	344,050	133,284	166,402	643,736
2047	362,943	120,520	166,402	649,865
2048	376,602	107,055	166,402	650,059
2049	385,017	93,083	166,402	644,502
2050	398,180	78,799	166,402	643,381
2051	411,082	64,026	166,402	641,510
2052	428,712	48,775	166,402	643,889
2053	445,996	32,870	166,402	645,268
2054	439,981	16,323	183,042	639,347
	$8,335,163	$5,807,121	$4,842,305	$18,883,585

NOTE 6. NOTES PAYABLE

The Authority has issued and has outstanding the following notes as of December 31, 2025 and 2024:

	Balance Dec. 31, 2024	Issued	Retirements/ Repayments	Balance Dec. 31, 2025
Series 2021 Notes (NJIB) - Phosphorous and Filtration	$13,920,273	$	$13,920,273	$
Series 2023 Construction Loan - Interceptor Sewer and Replacement - Boonton Section	6,000,000			6,000,000
Series 2024 Construction Loan - Generators	11,058,761			11,058,761
	$30,979,034	$	$13,920,273	$17,058,761
Due Within One Year	19,920,273			6,000,000
Long-Term Debt	11,058,761			11,058,761
	$30,979,034			$17,058,761

	Balance Dec. 31, 2023	Issued	Retirements/ Repayments	Balance Dec. 31, 2024
Series 2021 Notes (NJIB) - Phosphorous and Filtration	$13,920,273	$	$	$13,920,273
Series 2023 Construction Loan - Interceptor Sewer and Replacement - Boonton Section	6,000,000			6,000,000
Series 2024 Construction Loan - Generators		11,058,761		11,058,761
	$19,920,273	$11,058,761	$	$30,979,034
Due Within One Year				19,920,273
Long-Term Debt	19,920,273			11,058,761
	$19,920,273			$30,979,034

A description of these outstanding notes is as follows:

2021 Financing Trust Loan Program

The Authority was also granted temporary financing from the New Jersey Infrastructure Bank in the amount of $13,034,996. The loan has been amended with a new amount of $13,920,273. The Authority permanently financed this loan with long-term bonds issued through the NJIB.

NOTE 6. NOTES PAYABLE, (continued)

2023 Construction Loan Program

The Authority was granted temporary financing from the New Jersey Infrastructure Bank in the amount of $6,000,000. As of December 31, 2025, the I-Bank has authorized the amount of $6,000,000.

2024 Construction Loan Program

The Authority on June 27, 2024 issued a Note to the New Jersey Infrastructure Bank in the amount of $11,058,761.

NOTE 7. PENSION PLAN

Description of Plans:

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

Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

NOTE 7. PENSION PLAN, (continued)

Public Employees' Retirement System (PERS), (continued)

Benefits Provided, (continued)

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Defined Contribution Retirement Program

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

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

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

NOTE 7. PENSION PLANS, (continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 7.5% for PERS. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS. In the PERS, the employer contribution includes funding for post-retirement medical premiums

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

Three Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
12/31/25	$475,612	100%
12/31/24	475,871	100%
12/31/23	455,515	100%

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

Public Employees Retirement System (PERS)

At December 31, 2025 and 2024, the Authority reported a liability of $4,280,044 and $4,752,010 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1 2024, which was rolled forward to June 30, 2025. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2025, the Authority's proportion was 0.03480093 percent, which was a decrease of 0.0001710603 percent from its proportion measured as of June 30, 2024.

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

For the year ended December 31, 2025, the Authority recognized pension expense (benefit) of $167,266.

At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	2025	2024
Deferred Outflows of Resources:		
Changes of assumptions	$676	$5,903
Net difference between projected and actual earnings on pension plan investments	122,032	95,192
Changes in proportion and differences between Authority contributions and proportionate share of contributions	96,167	232,181
Authority contributions subsequent to the measurement date	475,359	475,876
Total	$694,234	$809,152

	2025	2024
Deferred Inflows of Resources:		
Net difference between projected and actual earnings on pension plan investments	$410,783	$220,338
Changes in proportion assumption and differences between Authority contributions and proportionate share of contributions	118,299	259,525
Total	$529,082	$479,863

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

The $694,234 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date (i.e. for the fiscal year ending December 31, 2025, the plan measurement date is June 30, 2026) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Dec. 31, 2025	Dec. 31, 2024
Year ended:		
2025		$(201,759)
2026	$79,271	156,115
2027	(165,457)	(89,816)
2028	(127,677)	(51,850)
2029	(74,737)	1,349
2030	524	

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.15, 5.08, 5.08, 5.04, 5.13, and 5.16 years for 2025, 2024, 2023, 2022, 2021, and 2020 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at December 31, 2025 and December 31, 2024 are as follows:

	Dec. 31, 2025	Dec. 31, 2024
Collective deferred outflows of resources	$1,093,964,592	$1,079,580,780
Collective deferred inflows of resources	1,921,744,319	1,611,322,898
Collective net pension liability	12,404,749,906	13,702,423,985
Authority's Proportion	.03480093%	.034971988%

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which rolled forward to June 30, 2025. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	3.25-7.75% (based on years of service)
Investment Rate of Return	7.00 Percent

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non- Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.55%
Non-U.S. Developed Market Equity	12.75%	8.77%
International Small Cap Equity	1.25%	8.77%
Emerging Market Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Estate	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Risk Mitigation Strategies	3.00%	7.26%

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2025 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage-point higher than the current rate:

	June 30, 2025		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Authority's proportionate share of the pension liability	$5,872,749	$4,280,044	$2,922,637

	June 30, 2024		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Authority's proportionate share of the pension liability	$6,367,403	$4,752,010	$3,451,359

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Pension Plan Fiduciary Net Position

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

NOTE 8. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 7, the Authority provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost. On May 13, 2010, the Authority adopted the provisions of N.J.S.A. 52:14-17.38 and adhered to the rules and regulations promulgated by the State Health Benefits Commission to implement the provisions of that law. This resolution affects employees as shown in Chapter 48, P.L. 1999. It is effective on the 1st day of July, 2010.

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

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

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

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)

General Information about the OPEB Plan

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

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

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provides they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Total OPEB Liability

At December 31, 2025 and 2024, the Authority had a liability of $9,146,523 and $9,421,487, respectively, for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability for 2025 was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on a projection of the Authority's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2025 the Authority's proportion was .054985 percent.

For the years ended December 31, 2025 and 2024, the Authority recognized OPEB (benefit) expense of $520,557 and $216,397, respectively.

At December 31, 2025 and 2024, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025	2024
Deferred Outflows of Resources:		
Net difference between projected and actual earnings on pension plan investments	$414,033	$477,132
Changes of assumptions	1,268,506	1,575,094
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	2,441,216	2,611,101
Total	$4,123,755	$4,663,327

	2025	2024
Deferred Inflows of Resources:		
Net difference between projected and actual earnings on pension plan investments	$1,095,472	$1,596,324
Changes of assumptions	2,202,623	1,563,907
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	563,037	719,567
Total	$3,861,132	$3,879,798

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)

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

	2025	2024
Year ended June 30:		
2025		(591,414)
2026	(414,533)	(254,621)
2027	(194,182)	(43,755)
2028	(392,226)	(233,274)
2029	(303,763)	(148,618)
2030	(114,040)	159,411
Thereafter	(203,552)	

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 8.28, 7.89, 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for 2025, 2024, 2023, 2022, 2021, 2020, 2019, 208 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which rolled forward to June 30, 2025. 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.

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)

Actual Assumptions and Other Inputs, (continued)

Salary increases*:	
Public Employees' Retirement System (PERS)	
Rate for all future years	3.25% to 7.75% based on years of service
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	4.00% to 17.50% based on years of service
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in July 1, 2024 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2021 to June 30, 2024.

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

Discount Rate

The discount rate for June 30, 2025 and 2024 was 5.20% and 3.93%, 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/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 9.50% and decreases to 4.50% in fiscal year 2036. For post-65 medical benefits PPO, the claims trend rate is initially 22.46% and decreases to 4.50% in fiscal year 2036. For post-65 HMO, the claims trend is initially 24.17% and decreases to 4.50% in fiscal year 2036. For pre-Medicare medical benefits, the premiums trend rate is initially 17.97% and decreases to 4.50% in fiscal year 2036. For post-65 medical benefits PPO, the premiums trend is initially 31.93% and decreases to 4.50% in fiscal year 2036. For post-65 medical

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)

Health Care Trend Assumptions, (continued)

benefits HMO, the premiums trend is initially 33.77% and decreases to 4.50% in fiscal year 2036. For pre-Medicare prescription drug benefits, the initial claims trend rate is 19.00% and decreases to 4.50% in fiscal year 2036. For post-65 prescription drug benefits, the claims trend rate is initially 10.88%, increases to 11.50% in fiscal year 2028 and decreases to 4.50% in fiscal year 2036. For employer group waiver plan prescription drug benefits, the claims trend rate is initially 20.85% and decreases to 4.50% in fiscal year 2036. For pre-Medicare prescription drug benefits, the initial premiums trend rate is 28.21% and decreases to 4.50% in fiscal year 2036. For post-65 prescription drug benefits, the premiums trend rate is initially 19.45% and decreases to 4.50% in fiscal year 2036. The Medicare advantage trend rate for claims is initially 25.85% and decreases to 4.50% in fiscal year 2036. The Medicate advantage trend rate for premiums is initially 35.58% and decreases to 4.50% in fiscal year 2036. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	June 30, 2025		
	1% Decrease 2.93%	At Current Discount Rate 3.93%	1% Increase 4.93%
Authority's proportionate share of Net OPEB liability	$10,445,898	$9,146,523	$8,081,449

	June 30, 2024		
	1% Decrease 2.93%	1% Decrease 2.93%	1% Decrease 2.93%
Authority's proportionate share of Net OPEB liability	$10,975,017	$9,421,487	$8,177,248

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)

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

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

	June 30, 2025		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of Net OPEB liability	$7,884,219	$9,146,523	$10,732,280

	June 30, 2024		
	1% Decrease	1% Decrease	1% Decrease
Authority's proportionate share of Net OPEB liability	$7,968,655	$9,421,487	$11,289,421

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES

Various legal actions, proceedings and claims are pending or may be instituted or asserted against the Authority. They are as follows:

Jersey City Municipal Utilities Authority, et al., v. Town of Dover, et als., Docket No. HUD-L-0131-10

As a member of the RVRSA, the City of Jersey City ("City") shares a portion of the RVRSA's capital and operating costs and is billed together with the RVRSA's members. The City's participation in the Authority's construction program and operations dates back to a Stipulation of Settlement approved by Order of the Chancery Division of the Superior Court of New Jersey, Hudson County, Docket No. C658-68, July 1971 (City of Jersey City vs. Town of Dover, et al.) (the "Stipulation of Settlement"), which provided that the City would, among other things, transfer to the Authority all rights and title to its wastewater treatment plant located in Parsippany and its trunkline utilized for sewage transmission and pay a share of the cost of the Authority's capital improvement program, all in accordance with the formula set forth in the Stipulation of Settlement. The formula for determining the amount due to the Authority from the City is based upon sewage flow and system capacity. On July 27, 1984, an Amendment to the Stipulation of Settlement (the "Amendment") was accepted by the Superior Court in full settlement of the 1981 litigation. The Amendment reduced the City's capital share of project costs for Segment 1 of the new treatment plant by the total sum of $500,000. The City's financial obligation to pay a percentage share of the system's operations and maintenance costs, and capital expenses for all the Authority's construction projects had been reaffirmed. The Amendment foreclosed the City from challenging the terms of the Stipulation of Settlement or its Amendment in the future and provided for the dismissal of the litigation with prejudice.

Notwithstanding the provisions of the Amendment which bars future challenges to the terms of the Stipulation of Agreement, in January of 2010 the City (and the Jersey City MUA) filed a Complaint in the Superior Court against the RVRSA and the other RVRSA member municipalities entitled Jersey City Municipal Utilities Authority and City of Jersey City v. Town of Dover, et als., MRS-L-1313-10. In this lawsuit Plaintiffs sought a judgment: (a) interlocutorily and permanently prohibiting RVRSA from assessing any additional capital or operation and maintenance ("O&M") costs to Plaintiffs; (b) declaring that Plaintiffs' obligation to RVRSA for the capital costs associated with the RVRSA Interceptor and New Treatment Plant shall cease when the debt incurred to pay for the construction of those facilities is fully repaid in December 2009; (c) declaring the 1984 Settlement prospectively void or, alternatively, that the 1984 Settlement be reformed in an equitable manner; (d) awarding compensatory damages to Plaintiffs; (e) awarding interest, costs and attorneys' fees to Plaintiffs; (f) declaring that Plaintiffs' obligation to RVRSA for O&M costs associated with the "project" (i.e., the RVRSA interceptor and new treatment facilities constructed pursuant to the settlement agreement) is terminated; and (g) awarding such other and further relief as the Court deems just and equitable. The Authority and Municipalities located in Morris County are vigorously defending the litigation.

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

On August 18, 2014, the Superior Court granted a Partial Summary Judgment in favor of the RVRSA and the Municipal Defendants and filed an Order barring Plaintiffs from asserting claims which could have been raised at the time of the 1984 Settlement Agreement; e.g., the de minimis amounts of Jersey City wastewater treated by RVRSA; allegations that the pollution of the Rockaway River forced Jersey City to enter into the 1984 Settlement Agreement; claims that environmental laws in place prior to the 1984 Settlement Agreement render the 1984 Settlement Agreement unenforceable; claims that the 1984 Settlement Agreement is unfair based on the comparative wealth of the residents of Jersey City and the residents of other RVRSA member municipalities; and the alleged unfairness of the formula in the 1984 Settlement Agreement for calculating Jersey City's operations and maintenance obligations to the RVRSA.

Trial concluded in June 2018. On October 31, 2018, the court filed an order granting partial judgment in favor of RVRSA, which provides that (1) "Plaintiffs are responsible for their proportional share of such projects that involve repair, operation, maintenance, or upkeep ... "; (2) "Plaintiffs' proportional share of costs, as set forth in Paragraph 6(c) of the 1984 Stipulation, shall be guided by the definitions in the attached Statement of Reasons;" (3) "Plaintiffs breached the agreement with the RVRSA by withholding contributions to continued operation, repair, and maintenance since January 2010. To the extent, if any, RVRSA assessed impermissible costs under the definitions provided in the Statement of Reasons, those costs shall offset damages, if any, arising from the breach;" and (4) "A trial shall be scheduled for the bifurcated issue of damages."

After the trial on the bifurcated issue of damages, the court granted Plaintiffs motion to dismiss the damage claims in the amount of $4,674,801.02 submitted by RVRSA for certain projects for the period commencing on January 1, 2010 and ending on June 30, 2018.

The multiple decisions of the trial courts were appealed to the Appellate Division of the Superior Court of New Jersey. The Appellate Division affirmed the trial court decisions which concluded that the obligation of the City was valid and enforceable. It also included statements that the City's obligation would cease when the capacity of the treatment facility reached 12MGD, which statement is unsupported by the record below.

The Supreme Court of New Jersey granted the Petitions for Certification which were filed by both parties. Oral argument before the Supreme Court is presently scheduled to take place in November 2026.

Even in the unlikely event that the Plaintiffs are successful in this litigation, there is not expected to be any material financial impact on the financial condition of the RVRSA due to the fact that the payments now made by the Jersey City parties, will instead become the responsibility of the participant municipalities.

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

RVRSA v. Jersey City Municipal Utilities Authority and City of Jersey City, Dkt. MRS-L-001861-22

In December 2022, the RVRSA filed a Complaint against the Jersey City parties seeking an Order to compel them to pay for their proportional share of the costs for construction projects funded with debt financing. The claim is based upon the 1984 Amended Stipulation of Settlement and the October 2018 ruling in the matter of Jersey City MUA, et al. v. Town of Dover, et al, Dkt. No. HUD-L-0131-10. The Complaint seeks past costs related to the failure to pay for certain projects from July 2018 until the New Jersey Infrastructure Bank financing for each project is fully amortized. The City, the RVRSA and the Municipal Participants executed a Dispute Resolution Agreement to provide for a binding non appealable decision to be rendered by a qualified independent engineer. The parties have undertaken the process to select the independent engineer. Thereafter, a series of presentations will be made to the independent engineer. The Court has entered an order to dismiss the case without prejudice. It is anticipated that the matter will be reinstated after the determination by the independent engineer to provide that its determination will be entered as an order of the court.

NOTE 10. RISK MANAGEMENT

The Rockaway Valley Regional Sewerage Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance

The Authority is currently a member of the New Jersey Utility Authorities Joint Insurance Fund, a public entity risk pool currently composed of 46 member authorities. The Fund provides members with Property, Liability and Worker's Compensation Insurance. The Authority continues to carry Public Officials Liability and Public Employee Dishonesty insurance through outside policies.

NOTE 10. RISK MANAGEMENT, (continued)

New Jersey Unemployment Compensation Insurance

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 its former employees and charged to its account with the State. The Authority is billed quarterly for amounts due to the State. The following is a summary of Authority contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Authority's expendable trust fund for the current and prior year:

Fiscal Year	Employee Contributions/ Interest Earnings/ Authority Contributions	Amount Reimbursed	Ending Balance
2025	$ 8,403	$ 8,748	$98,116
2024	7,287	15,985	98,461
2023	4,515	-0-	107,159

NOTE 11. DEFERRED COMPENSATION PLAN

Employees of the Rockaway Valley Regional Sewerage Authority may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Government). The deferred compensation plan is available to all employees of the Authority. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The deferred compensation plan is administered by an unrelated financial institution. The employees' contributions to the Plan and all income attributable to those amounts have been transferred to the exclusive benefit of the participating employees and their beneficiaries.

NOTE 12. DESIGNATION OF UNRESTRICTED NET POSITION

The Authority maintains funds that, although may be spent for any lawful purpose by the Authority, have been designated by the Board as follows:

	2025	2024
Designated for Renewal and Replacement	$1,575,596	$1,422,372
Designated for Subsequent Year's Budget	4,968,340	3,413,100
Designated for Capital Replacements	23,702	23,702
Designated for Debt Service	1,008,457	1,064,824
Total Designated - Unrestricted	$7,576,095	$5,923,998

At December 31, 2025, the Authority reported a total amount of $7,576,095 of Unrestricted Net Position - Designated for the purposes described above.

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

	2025	2024
Pension Related	$(8,883,900)	($4,898,597)
OPEB related	(4,590,251)	(8,637,958)
Available for Use in Future Budgets	3,755,486	5,905,417
	$(9,718,665)	($7,631,138)

NOTE 13. OTHER MATTERS

At December 31, 2025, the Authority had an accounts receivable balance of $12,841,717, of which $12,829,028 was under dispute by Jersey City. The Authority has not consented to any change in the obligation of Jersey City as further detailed in Note 9. There has been no allowance for doubtful accounts set aside for this dispute.

The Authority has been collecting from the remaining participating municipalities a partial amount in dispute by the City of Jersey City. These advanced payments in the amount of $11,188,633 have been recorded on the Authority's financial statements as unearned revenue until such time as the litigation is concluded. Depending on the outcome of the litigation, the unearned revenue will either be refunded to the municipalities or used to offset the loss in revenues from the uncollected receivable balance. Any difference between the unearned revenue and amount under dispute will be billed to the participants upon final judgment.

NOTE 14. SUBSEQUENT EVENTS

The Rockaway Valley Regional Sewerage Authority has evaluated subsequent events through October 13, 2026, the date which the financial statements were available to be issued and no other items were noted for disclosure.

Required Supplementary Information - Part II

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
Required Supplementary Information
Schedule of Authority's Proportionate Share of Net Pension Liability
Public Employee's Retirement System (PERS)
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability (asset)	0.0348009300%	0.0349719880%	0.0340819180%	0.0344898800%	0.0362986200%	0.0337251400%	0.0354911100%	0.0357945400%	0.0360689176%	0.0331354945%
Authority's proportionate share of the net pension liability (asset)	$ 4,280,044	$ 4,752,010	$ 4,936,551	$ 5,204,998	$ 4,300,115	$ 5,499,688	$ 6,394,960	$ 7,047,766	$ 8,396,267	$ 9,813,783
Authority's covered payroll - PERS	2,950,459	2,837,534	$ 2,720,661	$ 2,602,136	$ 2,516,611	$ 2,544,088	$ 2,472,037	$ 2,469,867	$ 2,461,801	$ 2,299,977
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	145.06%	167.47%	181.45%	200.03%	170.87%	216.18%	258.69%	285.35%	341.06%	426.69%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
Required Supplementary Information
Schedule of Authority's Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 475,612	$ 455,515	$ 434,934	$ 425,099	$ 368,936	$ 345,728	$ 356,724	$ 335,690	$ 334,140	$ 294,317
Contributions in relation to the contractually required contribution	$ (475,612)	$ (455,515)	$ (434,934)	$ (425,099)	$ (368,936)	$ (345,728)	$ (356,724)	$ (335,690)	$ (334,140)	$ (294,317)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's coverd payroll - PERS	$ 2,950,459	$ 2,837,534	$ 2,720,661	$ 2,602,136	$ 2,516,611	$ 2,544,088	$ 2,472,037	$ 2,469,867	$ 2,461,801	$ 2,299,977
Contributions as a percentage of covered payroll	16.12%	16.05%	15.99%	16.34%	14.66%	13.59%	14.43%	13.59%	13.57%	12.80%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
Note to Required Schedules of Supplementary Information
For the Year Ended December 31, 2025

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

Assumptions used in the calculation of the PERS liability are presented in Note 7.

SCHEDULE RSI-4

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
Schedules of Required Supplementary Information
Schedule of Authority's Share of Net OPEB Liability
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net OPEB liability (asset)	0.0549850000%	0.0526180000%	0.0548110000%	0.0432920000%	0.0445290000%	0.0431860000%	0.0366620000%	0.0386240000%	0.0371720000%	0.0410790000%
Authority's proportionate share of the net OPEB liability (asset)	$ 9,146,523	$ 9,421,487	$ 8,225,234	$ 6,991,483	$ 8,015,123	$ 7,750,424	$ 4,966,261	$ 6,051,075	$ 7,588,957	$ 8,921,317
Authority's covered payroll	$ 2,950,459	$ 2,837,534	$ 2,720,661	$ 2,602,136	$ 2,516,611	$ 2,544,088	$ 2,472,037	$ 2,469,867	$ 2,461,801	$ 2,468,686
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	310.00%	332.03%	302.32%	268.68%	318.49%	304.64%	200.90%	245.00%	308.27%	361.38%
Plan fiduciary net position as a percentage of the total OPEB liability	-1.11%	-0.88%	-0.78%	-0.36%	0.28%	0.92%	2.02%	2.01%	1.04%	0.59%

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
Schedules of Required Supplementary Information
Schedule of Authority's OPEB Contributions
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 372,566	$ 262,414	$ 262,414	$ 204,763	$ 119,527	$ 107,254	$ 86,910	$ 60,789	$ 48,877	$ 36,860
Contributions in relation to the contractually required contribution	$ (372,566)	$ (262,414)	$ (262,414)	$ (204,763)	$ (119,527)	$ (107,254)	$ (86,910)	$ (60,789)	$ (48,877)	$ (36,860)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's coverd payroll	$ 2,950,459	$ 2,837,534	$ 2,720,661	$ 2,602,136	$ 2,516,611	$ 2,544,088	$ 2,472,037	$ 2,469,867	$ 2,461,801	$ 2,468,686
Contributions as a percentage of covered payroll	12.63%	9.25%	9.65%	7.87%	4.75%	4.22%	3.52%	2.46%	1.99%	1.49%

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
Note to Required Schedules of Supplementary Information
For the Year Ended December 31, 2025

Other Post Employment Benefits

Change in benefit terms

None

Change in assumptions

Assumptions used in the calculation of the OPEB liability are presented in Note 8.

Supplementary Schedules

SCHEDULE 1

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

FOR YEAR ENDED DECEMBER 31, 2025

		Restricted	Unrestricted Designated					
	Invested in Capital Assets	State Unemployment Insurance	Subsequent Year's Budget Appropriation	Capital Replacements	Debt Service	Renewal and Replacement	Undesignated	Total
Operating Revenue:								
Service Agreements							11,808,250	11,808,250
User Charges and Fees							294,883	294,883
Sewer Permits							-	-
IPP Surcharge/TWA Application Fees							116,303	116,303
Industrial Annual Fees/Industrial User Fines							150,554	150,554
Miscellaneous							179,758	179,758
Interest Income							70,153	70,153
Total Operating Revenue	-	-	-	-	-	-	12,619,901	12,619,901
Operating Expense:								
Cost of Providing Services							5,303,373	5,303,373
Employee Benefits							2,030,011	2,030,011
Administrative and General							2,703,687	2,703,687
Depreciation	3,760,438						-	3,760,438
Total Operating Expense	3,760,438	-	-	-	-	-	10,037,071	13,797,509
Operating Income	(3,760,438)	-	-	-	-	-	2,582,830	(1,177,608)
Non-Operating Revenue (Expense):								
Interest Income							343,474	343,474
Interest Expense and NJIB Fees							(460,735)	(460,735)
Unemployment Ins. Claims - Net		(345)						(345)
Debt Service Reserve Credit					(106,367)			(106,367)
Amortization on Bond Premium	60,279						-	60,279
Cost of Issuance							(155,171)	(155,171)
	60,279	(345)	-	-	(106,367)	-	(272,432)	(318,865)
Net Income (Loss) Before Transfers	(3,700,159)	(345)	-	-	(106,367)	-	2,310,398	(1,496,473)
Transfers:								
Required Transfers	2,097,432		1,555,240		(200,000)		(3,452,672)	-
NJEIT Reimbursements	3,724,211						(3,724,211)	-
Capital Purchases, Net Disposals	(4,185,144)			-		(46,776)	4,231,920	-
Bond Principal Payments	1,002,962						(1,002,962)	-
Budget Appropriation					250,000	200,000	(450,000)	-
Increase/(Decrease) in Net Position	(1,060,698)	(345)	1,555,240	-	(56,367)	153,224	(2,087,527)	(1,496,473)
Net Position - January 1, 2025	29,683,463	98,461	3,413,100	23,702	1,064,824	1,422,372	(7,631,138)	28,074,784
Net Position - December 31, 2025	28,622,765	98,116	4,968,340	23,702	1,008,457	1,575,596	(9,718,665)	26,578,311

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH

FOR THE YEAR ENDED DECEMBER 31, 2025

	Trustee/ Treasurer Revenue	Revenue Operating	General Account	Renewal and Replacement Account	Construction Account	Unemployment Insurance Account	Capital Replacement Account	Whitlock Pkg. Escrow Account	Total
Cash, Cash Equivalents and Investments - January 1, 2025	177,734	887,527	6,463,702	2,457,091	461,194	98,461	83,249	10,478	10,639,436
Cash Receipts:									
Revenues	13,571,661		9,102	96,778	14,695			312	13,692,548
Other		5,439				8,372	3,200,138		3,213,949
Transfers		17,637,335		200,000					17,837,335
Total Cash Receipts	13,571,661	17,642,774	9,102	296,778	14,695	8,372	3,200,138	312	34,743,832
Cash and Investments Available	13,749,395	18,530,301	6,472,804	2,753,869	475,889	106,833	3,283,387	10,790	45,383,268
Cash Disbursements:									
Bond Interest Payments									-
Bond Principal Payments									-
Operations		16,776,701							16,776,701
Other						8,717		10,790	19,507
Transfers	13,631,918	784,957	509,460				2,911,000		17,837,335
Total Cash Disbursements	13,631,918	17,561,658	509,460	-	-	8,717	2,911,000	10,790	34,633,543
Cash, Cash Equivalents and Investments - December 31, 2025	117,477	968,643	5,963,344	2,753,869	475,889	98,116	372,387	-	10,749,725
Analysis of Balance:									
Cash and Cash Equivalents	117,477	968,643	5,963,344	2,753,869	475,889	98,116	372,387	-	10,749,725
	117,477	968,643	5,963,344	2,753,869	475,889	98,116	372,387	-	10,749,725
Unrestricted	117,477	968,643	5,963,344	2,753,869	475,889	-	372,387	-	10,651,609
Restricted	-	-	-	-	-	98,116	-	-	98,116
	117,477	968,643	5,963,344	2,753,869	475,889	98,116	372,387	-	10,749,725

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
SCHEDULE OF OPERATING REVENUE AND COSTS FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2025

	FY 2025 Adopted Budget	FY 2025 Budget as Amended	Realized	Excess / (Deficit)	Prior Year Realized
Revenues:					
Retained Earnings Appropriated	300,000	300,000	300,000	-	100,000
Reserve for Debt Service	200,000	200,000	200,000	-	100,000
Service Agreements	11,808,250	11,808,250	11,808,250	-	11,311,170
User Charges and Fees	240,000	240,000	294,883	54,883	298,286
Sewer Connection Permits	10,000	10,000	14,740	4,740	24,695
Industrial Application Fees	750	750	1,900	1,150	7,150
IPP Surcharge	100,000	100,000	109,683	9,683	112,060
TWA Application Fee			6,620	6,620	1,912
Industrial Annual Fees	30,000	30,000	132,106	102,106	30,000
Industrial User Fines			16,548	16,548	36,900
Unused Capacity Charge	46,000	46,000	148,301	102,301	35,652
FEMA Grant Revenue				-	
Miscellaneous			16,717	16,717	45,057
Interest Income from Operating and Non-operating Investments (1)	210,000	210,000	413,627	203,627	606,674
Total Operating Revenues	12,945,000	12,945,000	13,463,375	518,375	12,709,556

(1) Interest earned on Unemployment Account is not included in this amount.

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
SCHEDULE OF OPERATING REVENUE AND COSTS FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2025

EXPENSES		Adopted 2025 Budget	Amended 2025 Budget	Paid or Charged 2025	Excess / (Deficit) 2025	Prior Year
Administration						
01-501-010	Salary & Wages	379,960	386,260	384,693	1,567	350,966
01-501-011	S&W Overtime	1,000	2,200	1,586	614	808
01-501-020	Professional Services	603,000	603,000	570,697	32,303	791,867
01-501-021	JIF Insurance	230,470	220,070	219,996	74	208,468
01-501-022	NJPDES Permits	77,150	138,150	137,623	527	74,497
01-501-024	Labor Attorney	40,000	40,000	12,845	27,155	14,128
01-501-025	IT Computer Services	79,300	87,800	87,444	356	91,273
01-501-030	Materials & Supplies	62,390	68,390	62,262	6,128	64,261
01-501-031	Member Expense	4,000	6,000	2,836	3,164	3,507
01-501-032	Member Travel	6,000	6,000	3,187	2,813	5,324
01-501-040	Maintenance Equipment	4,640	4,640	4,228	412	1,801
01-501-050	Conference/Travel/Seminars	3,500	6,500	3,907	2,593	3,757
01-501-060	Dues/Memberships	9,250	9,250	7,640	1,610	7,823
01-501-070	Miscellaneous	2,000	2,000	-	2,000	1,901
01-501-071	Security	2,000	17,000	14,820	2,180	
01-501-080	Uniforms & Clothing	500	500	128	372	146
01-501-090	Utilities	762,270	902,270	920,422	(18,152)	825,462
01-501-200-209	Fringe Benefits	2,182,020	2,169,520	2,092,415	77,105	1,878,872
		4,449,450	4,669,550	4,526,729	142,821	4,324,861
Safety						
01-501-120	Professional Services	10,000	10,000	7,123	2,877	7,622
01-501-130	Materials & Supplies	2,000	2,000	1,980	20	1,911
01-501-140	Maintenance Equipment	1,500	1,500	100	1,400	-
01-501-150	Conference/Travel/Seminar	4,450	4,450	4,108	342	200
01-501-160	Dues/Memberships	400	400	150	250	
01-501-170	Miscellaneous	400	400		400	523
01-501-180	Uniforms & Clothing	200	200	63	137	-
		18,950	18,950	13,524	5,426	10,256
Finance						
01-502-010	Salary & Wages	203,000	203,000	199,140	3,860	190,063
01-502-020	Professional Services	53,000	53,000	50,153	2,847	47,727
01-502-030	Materials & Supplies	2,550	2,550	2,447	103	1,546
01-502-050	Conference/Travel/Seminar	3,800	4,300	3,709	591	3,967
01-502-060	Dues/Memberships	300	300	185	115	250
01-502-070	Miscellaneous	1,500	1,500		1,500	
01-502-080	Uniforms & Clothing	500	500	215	285	97
		264,650	265,150	255,849	9,301	243,650
Engineering						
01-503-010	Salary & Wages	321,100	321,100	317,019	4,081	302,439
01-503-020	Professional Services	275,000	275,000	118,436	156,564	171,845
01-503-030	Materials & Supplies	500	500		500	
01-503-050	Conference/Travel/Seminar	4,950	4,950	3,338	1,612	4,063
01-503-060	Dues/Memberships	500	500		500	182
01-503-070	Miscellaneous	500	500		500	
01-503-080	Uniforms & Clothing	500	500	61	439	90
		603,050	603,050	438,854	164,196	478,619
IPP						
01-503-110	Salary & Wages	94,900	99,900	99,142	758	89,384
01-503-120	Professional Services	55,000	60,000	48,844	11,156	61,517
01-503-130	Materials & Supplies	2,000	2,000	1,935	65	1,960
01-503-150	Conference/Travel/Seminars	2,800	2,800	2,658	142	2,476
01-503-160	Dues/Memberships	270	270	269	1	267
01-503-180	Uniforms & Clothing	550	550	515	35	534
		155,520	165,520	153,363	12,157	156,138

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
SCHEDULE OF OPERATING REVENUE AND COSTS FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2025

EXPENSES		Adopted 2025 Budget	Amended 2025 Budget	Paid or Charged 2025	Excess / (Deficit) 2025	Prior Year
Electrical						
01-503-210	Salary & Wages	104,200	104,200	103,521	679	98,148
01-503-230	Materials & Supplies	42,000	49,000	43,617	5,383	34,073
01-503-240	Maintenance Equipment	125,000	140,500	114,834	25,666	109,480
01-503-250	Conference/Travel/Seminars				-	555
01-503-260	Dues and Membership	100	100		100	90
01-503-280	Uniforms & Clothing	650	650	165	485	444
		271,950	294,450	262,137	32,313	242,790
Laboratory						
01-505-010	Salary & Wages	147,130	147,130	139,521	7,609	131,542
01-505-011	S&W Overtime	1,000	1,000	11	989	277
01-505-020	Professional Services	33,200	33,200	26,367	6,833	22,714
01-505-030	Materials & Supplies	35,000	35,000	34,847	153	33,360
01-505-040	Maintenance Equipment	12,100	12,100	11,677	423	11,782
01-505-050	Conference/Travel/Seminars	1,500	2,000	1,897	103	1,770
01-505-060	Dues/Memberships	350	350	238	112	234
01-505-070	Miscellaneous	1,000	500		500	
01-505-080	Uniforms & Clothing	500	500	480	20	486
		231,780	231,780	215,038	16,742	202,165
Operations/Maintenance						
01-506-010	Salary & Wages Plant Operator	338,210	338,210	324,727	13,483	318,204
01-506-011	Salary & Wages Labor Force	1,259,960	1,276,960	1,263,100	13,860	1,179,742
01-506-012	S&W Overtime	120,000	125,000	112,884	12,116	169,641
01-506-013	Unused Sick Time	25,000	25,000	17,732	7,268	19,738
01-506-030	Materials & Supplies	137,400	137,400	117,386	20,014	117,518
01-506-031	Sludge Disposal	500,000	497,000	474,842	22,158	448,598
01-506-032	Sludge Hauling	660,000	660,000	638,219	21,781	586,995
01-506-033-037	Chemicals and Aluminum	422,500	577,500	513,078	64,422	538,503
01-506-040	Maintenance Equipment	218,000	218,000	151,094	66,906	174,143
01-506-041	Building and Ground	60,000	60,000	50,158	9,842	64,466
01-506-042	Vehicle Maintenance	18,000	18,000	17,540	460	14,425
01-506-050	Conference/Travel/Seminars	9,450	9,450	7,350	2,100	17,381
01-506-060	Dues/Memberships	1,850	1,850	1,438	412	1,781
01-506-070	Miscellaneous	1,500	1,500	969	531	
01-506-080	Uniforms & Clothing	24,200	34,200	31,856	2,344	25,307
		3,796,070	3,980,070	3,722,373	257,697	3,676,442
Trunkline						
01-507-010/011	Salary & Wages	296,160	243,160	217,487	25,673	259,091
01-507-012	S&W Overtime	20,000	20,000	9,016	10,984	24,321
01-507-030	Materials & Supplies	134,200	134,200	106,640	27,560	119,508
01-507-031	Odor Control	199,100	138,900	109,940	28,960	116,857
01-507-040	Maintenance Equipment	84,000	84,000	67,979	16,021	67,105
01-507-050	Conference/Travel/Seminars	3,400	3,400		3,400	3,858
01-507-060	Dues and Membership	870	870	50	820	267
01-507-080	Uniforms/Clothing	500	500	496	4	452
		738,230	625,030	511,608	113,422	591,459
Total Operating Expenses		10,529,650	10,853,550	10,099,475	754,075	9,926,380
Debt Service and Reserves						
01-501-401	Debt Service-Principal	1,352,650	1,139,750	1,002,962	136,788	923,128
01-501-402	Debt Service-Interest	367,370	321,370	280,479	40,891	216,212
01-501-403	Debt Service-Admin. Fees NJEIT	245,330	180,330	180,256	74	36,519
01-501-404	Reserve- Debt Service	250,000	250,000	250,000	-	250,000
01-501-300	Reserve- R&R	200,000	200,000	200,000	-	200,000
					-	-
		2,415,350	2,091,450	1,913,697	177,753	1,625,859
TOTAL		12,945,000	12,945,000	12,013,172	931,828	11,552,239

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
SCHEDULE OF OPERATING REVENUE AND COSTS FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2025

	Adopted 2025 Budget	Amended 2025 Budget	Paid or Charged 2025	Excess / (Deficit) 2025	Prior Year
Excess of Revenues Over Expenses:	-	-	1,450,203		1,157,317
Reconciliation of Budgetary Basis to GAAP:					
Retained Earnings Appropriated:					
Unrestricted Accounts			(300,000)		(200,000)
Renewal and Replacement			200,000		200,000
Reserves for Debt Service			50,000		250,000
Depreciation Expense			(3,760,438)		(3,499,189)
Amortization			60,279		76,399
Bond Principal			1,002,962		923,128
Net Adjustment for Pension Expense			308,346		408,842
Net Adjustment for OPEB Expense			(245,942)		26,837
Unemployment Fund-Net			(345)		8,698
Loss from Disposal of Assets					
Debt Service Reserve Credit			(106,367)		(112,328)
Cost of Issuance			(155,171)		
Total Adjustments			(2,946,676)		(1,917,613)
Change in Net Position			(1,496,473)		(760,296)

SCHEDULE 4

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF CAPITAL BUDGET PROGRAM
FUNDED BY FINANCING SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2025

			FY 2025 Adopted Budget	FY 2025 Budget as Amended	FY 2025 Actual	Excess / (Deficit)
Financing Sources:						
Proceeds of NJEIT Loans			35,000,000	35,500,000	2,537,928	32,962,072
Renewal and Replacement			1,160,000	750,000	46,776	703,224
Unrestricted - Undesignated Net Position			2,703,100	3,113,100	1,475,295	1,637,805
Total Financing Sources			38,863,100	39,363,100	4,059,999	35,303,101
Capital Improvements and Replacements						
Administration						
01-851-001	Computers Plotter and Software	(1)	20,000	20,000	14,587	5,413
01-851-002	File Cabinet/Furniture	(1)	5,000	5,000	4,760	240
01-851-003	Security Surveillance	(1)	8,000	8,000		8,000
01-851-004	Miscellaneous	(1)	8,000	8,000		8,000
			41,000	41,000	19,347	21,653
Engineering/Electrical						
01-853-003	Infrastructure Upgrade	(1)	118,000	118,000	95,187	22,813
01-853-004	Electrical Breakers	(1)	40,000	40,000		40,000
01-853-005	Building Misc Upgrade	(1)	108,000	108,000	24,300	83,700
01-853-016	Emergency Generator Substation-PH 2	(3)	100,000	100,000		100,000
01-853-018	JC Sewer Replacement Boonton Section C47	(3)	400,000	300,000	18,957	281,043
01-853-019	Old Admin Bldg Design and Update	(3)	310,000			-
01-853-020	Old Ditch/Elevator/BF Preventer	(3)	350,000	350,000	27,819	322,181
01-853-021	Boonton Siphons Canal Side Park	(1)	100,000			-
01-853-022	Effluent Meter Replacement	(1)	300,000	749,600	56,672	692,928
01-853-023	Elevator Replacement	(1)	600,000	660,400	347,486	312,914
01-853-101	IPP Equipment	(1)	4,650	4,650	4,116	534
			2,430,650	2,430,650	574,537	527,556
Laboratory						
01-855-001	Laboratory Equipment	(1)	28,000	28,000	25,008	2,992
			28,000	28,000	25,008	2,992
Operations/Maintenance						
01-856-001	Oxidation Equipment	(1)	95,000	95,000	94,077	923
01-856-002	Pumping Equipment	(1)	185,000	185,000	57,933	127,067
01-856-003	Vehicles	(1)	150,000	150,000	113,533	
01-856-004	Facilities Bldg Repair	(1)	140,000	140,000	21,781	118,219
01-856-005	Miscellaneous Equipment	(1)	352,250	352,250	264,917	87,333
			922,250	922,250	552,241	333,542
Trunkline						
01-857-001	Trunkline Equip/Repairs	(1)	139,200	139,200	87,050	52,150
01-857-002	Trunkline Misc. Equipment	(1)	302,000	302,000	263,888	38,112
			441,200	441,200	350,938	90,262
NJEIT						
01-EIT-041	NJEIT Debt Auth- Phosphorus & Filtration Removal	(2)	1,000,000	1,000,000	469,062	530,938
01-EIT-043	NJEIT Debt Auth- Boonton Siphon I/O Wash	(2)	300,000	800,000	409,260	390,740
01-EIT-044	NJEIT Debt Auth- Emer. Generator	(2)	13,500,000	13,500,000	1,659,606	11,840,394
01-EIT-045	NJEIT Debt Auth- Emer. Utility Substation	(2)	15,000,000	15,000,000		15,000,000
01-EIT-048	NJEIT Debt Auth-Old Admin. Bldg. Updated	(2)	5,200,000	5,200,000		5,200,000
			35,000,000	35,500,000	2,537,928	32,962,072
TOTAL Capital Improvements and Replacements			38,863,100	39,363,100	4,059,999	33,938,077

(1) Funded by Unrestricted - Undesignated Net Position
(2) Funded by Proceeds of NJIB Loans.
(3) Funded by Other Source

SCHEDULE 5

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF CAPITAL BUDGET PROGRAM
FUNDED BY FINANCING SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2024

			FY 2024 Adopted Budget	FY 2024 Budget as Amended	FY 2024 Actual	Excess / (Deficit)
Financing Sources:						
Proceeds of NJEIT Loans			26,200,000	26,200,000	4,641,218	21,558,782
Renewal and Replacement			1,180,000	1,180,000	435,190	744,810
Unrestricted - Undesignated Net Position			2,121,450	2,121,450	947,099	1,174,351
Total Financing Sources			29,501,450	29,501,450	6,023,507	23,477,943
Capital Improvements and Replacements						
Administration						
01-851-001	Computers Plotter and Software	(1)	20,000	20,000	17,149	2,851
01-851-002	File Cabinet/Furniture	(1)	5,000	5,000	4,150	850
01-851-003	Security Surveillance	(1)	8,000	8,000	-	8,000
01-851-004	Miscellaneous	(1)	8,000	8,000	-	8,000
01-851-006	Fireman Home Access Agreement	(1)	20,000	20,000	17,000	3,000
			61,000	61,000	38,299	22,701
Engineering/Electrical						
01-853-003	Infrastructure Upgrade	(1)	140,000	645,100	101,225	543,875
01-853-004	Electrical Breakers	(1)	35,000	65,000	33,103	31,897
01-853-005	Building Misc Upgrade	(1)	98,000	96,000	57,784	38,216
01-853-016	Emergency Generator Substation-PH 2	(3)	470,000	470,000	435,190	34,810
01-853-018	JC Sewer Replacement Boonton Section C47	(3)	400,000	200,000	22,200	177,800
01-853-019	Old Admin Bldg Design and Update	(3)	310,000		-	
01-853-020	Old Ditch/Elevator/BF Preventer	(1)	400,000		69,475	
01-853-021	Boonton Siphons Canal Side Park	(1)	100,000		-	
01-853-022	Effluent Meter Replacement	(1)	210,000		17,302	
01-853-101	IPP Equipment	(1)	3,750	400,000	3,443	396,557
			2,166,750	1,876,100	739,722	826,598
Laboratory						
01-855-001	Laboratory Equipment	(1)	5,000	5,000	3,673	1,327
			5,000	5,000	3,673	1,327
Operations/Maintenance						
01-856-001	Oxidation Equipment	(1)	103,000	103,000	100,661	2,339
01-856-002	Pumping Equipment	(1)	147,000	147,000	144,400	2,600
01-856-003	Vehicles	(1)	55,000	55,000	52,611	2,389
01-856-004	Facilities Bldg Repair	(1)	158,000	158,000	106,903	51,097
01-856-005	Miscellaneous Equipment	(1)	157,000	157,000	154,707	2,293
			620,000	620,000	559,282	60,718
Trunkline						
01-857-001	Trunkline Equip/Repairs	(1)	164,200	164,200	66,561	97,639
01-857-002	Meter Chamber Misc. Equipment	(1)	284,500	284,500	61,529	222,971
			448,700	448,700	128,090	320,610
NJEIT						
01-EIT-041	NJEIT Debt Auth- Phosphorus & Filtration Remov	(2)	1,000,000	1,000,000	186,895	813,105
01-EIT-043	NJEIT Debt Auth- Boonton, Denville Interceptor	(2)	5,000,000	5,000,000	4,293,611	706,389
01-EIT-044	NJEIT Debt Auth- Emer. Generator & Substation	(2)	15,000,000	15,000,000	160,712	14,839,288
01-EIT-048	NJEIT Debt Auth-Old Admin. Bldg. Updated	(2)	5,200,000	5,200,000	-	5,200,000
			26,200,000	21,000,000	4,641,218	21,558,782
TOTAL Capital Improvements and Replacements			29,501,450	24,010,800	6,110,284	22,790,736

(1) Funded by Unrestricted - Undesignated Net Position

(2) Funded by Proceeds of NJIB Loans.

(3) Funded by Other Source

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance Jan. 1, 2025	2025 Issued	2025 Redeemed	Balance Dec. 31, 2025
New Jersey Environmental Infrastructure Fund - Series 2010A Incerceptor	3/10/2010							
		0.000%	2026	107,924				
		0.000%	2027	107,924				
		0.000%	2028	107,924				
		0.000%	2029	107,920				
					539,616		107,924	431,692
New Jersey Environmental Infrastructure Trust - Series 2010B Incerceptor	3/10/2010							
		3.500%	2026	42,000				
		4.000%	2027	43,000				
		4.000%	2028	47,000				
		4.000%	2029	47,000				
					222,000		43,000	179,000

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance Jan. 1, 2025	2025 Issued	2025 Redeemed	Balance Dec. 31, 2025
New Jersey Environmental Infrastructure Fund - Series 2012A P-T Building	5/3/2012							
		0.000%	2026	87,356				
		0.000%	2027	87,356				
		0.000%	2028	87,356				
		0.000%	2029	87,356				
		0.000%	2030	87,356				
		0.000%	2031	87,357				
					611,493		87,356	524,137
New Jersey Environmental Infrastructure Trust - Series 2012B P-T Building	5/3/2012							
		5.000%	2026	90,041				
		3.000%	2027	93,877				
		3.000%	2028	98,560				
		3.125%	2029	98,576				
		3.200%	2030	103,138				
		3.250%	2031	102,946				
					673,267		86,129	587,138

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance Jan. 1, 2025	2025 Issued	2025 Redeemed	Balance Dec. 31, 2025
New Jersey Environmental Infrastructure Fund - Series 2015A (Refunding 2007A Fund Loan) Bio-solids Building	11/24/2015							
		4.500%	2026	271,000				
		4.250%	2027	286,000				
					817,000		260,000	557,000
New Jersey Environmental Infrastructure Fund - Series 2018A-2 West Main Street	11/29/2018							
		0.000%	2026	42,687				
		0.000%	2027	42,687				
		0.000%	2028	42,687				
		0.000%	2029	42,688				
		0.000%	2030	42,687				
		0.000%	2031	42,687				
		0.000%	2032	42,687				
		0.000%	2033	42,687				
		0.000%	2034	42,688				
		0.000%	2035	42,687				
		0.000%	2036	42,687				
		0.000%	2037	42,687				
		0.000%	2038	42,687				
		0.000%	2039	42,687				
		0.000%	2040	42,687				
		0.000%	2041	42,688				
		0.000%	2042	42,687				
		0.000%	2043	42,687				
		0.000%	2044	42,687				
		0.000%	2045	42,687				
		0.000%	2046	42,687				
		0.000%	2047	42,687				
		0.000%	2048	42,687				
					1,024,491		42,687	981,804

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance Jan. 1, 2025	2025 Issued	2025 Redeemed	Balance Dec. 31, 2025
New Jersey Environmental								
Infrastructure Trust - Series 2018A-2	11/29/2018							
West Main Street								
		5.000%	2026	10,000				
		5.000%	2027	10,000				
		4.000%	2028	10,000				
		4.000%	2029	10,000				
		4.000%	2030	10,000				
		4.000%	2031	10,000				
		4.000%	2032	15,000				
		4.000%	2033	15,000				
		4.000%	2034	15,000				
		4.000%	2035	15,000				
		4.000%	2036	15,000				
		4.000%	2037	15,000				
		4.000%	2038	15,000				
		4.000%	2039	15,000				
		4.000%	2040	20,000				
		4.000%	2041	20,000				
		4.000%	2042	20,000				
		4.000%	2043	20,000				
		4.000%	2044	20,000				
		4.000%	2045	20,000				
		4.000%	2046	20,000				
		4.000%	2047	25,000				
		4.000%	2048	25,000				
					380,000		10,000	370,000

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance Jan. 1, 2025	2025 Issued	2025 Redeemed	Balance Dec. 31, 2025
New Jersey Environmental								
Infrastructure Fund - Series 2019A-1	5/23/2019							
Monroe Street Pumpin Station								
		0.000%	2026	57,378				
		0.000%	2027	57,378				
		0.000%	2028	57,378				
		0.000%	2029	57,378				
		0.000%	2030	57,378				
		0.000%	2031	57,378				
		0.000%	2032	57,378				
		0.000%	2033	57,378				
		0.000%	2034	57,378				
		0.000%	2035	57,378				
		0.000%	2036	57,378				
		0.000%	2037	57,378				
		0.000%	2038	57,378				
		0.000%	2039	57,378				
		0.000%	2040	57,378				
		0.000%	2041	57,378				
		0.000%	2042	57,378				
		0.000%	2043	57,378				
		0.000%	2044	57,378				
		0.000%	2045	57,378				
		0.000%	2046	57,378				
		0.000%	2047	57,378				
		0.000%	2048	57,378				
					1,377,072	-	57,378	1,319,694

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance Jan. 1, 2025	2025 Issued	2025 Redeemed	Balance Dec. 31, 2025
New Jersey Environmental								
Infrastructure Trust - Series 2019A-1	5/23/2019							
Monroe Street Pumpin Station								
		5.000%	2026	15,000				
		5.000%	2027	15,000				
		5.000%	2028	15,000				
		2.000%	2029	15,000				
		2.000%	2030	20,000				
		2.125%	2031	20,000				
		2.250%	2032	20,000				
		2.500%	2033	20,000				
		3.000%	2034	20,000				
		3.000%	2035	20,000				
		3.000%	2036	20,000				
		3.000%	2037	20,000				
		3.000%	2038	20,000				
		3.000%	2039	20,000				
		3.000%	2040	25,000				
		3.000%	2041	25,000				
		3.000%	2042	25,000				
		3.000%	2043	25,000				
		3.000%	2044	25,000				
		3.000%	2045	25,000				
		3.000%	2046	30,000				
		3.000%	2047	30,000				
		3.000%	2048	30,000				
					515,000	-	15,000	500,000

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance Jan. 1, 2025	2025 Issued	2025 Redeemed	Balance Dec. 31, 2025
New Jersey Environmental								
Infrastructure Fund - Series 2021	6/10/2021							
Final Clarifier Repair Project								
		5.000%	2026	166,651				
		5.000%	2027	166,652				
		5.000%	2028	166,651				
		5.000%	2029	166,652				
		5.000%	2030	166,651				
		4.000%	2031	166,652				
		3.000%	2032	166,651				
		3.000%	2033	166,652				
		0.030%	2034	166,651				
		3.000%	2035	166,652				
		2.000%	2036	166,651				
		3.000%	2037	166,652				
		3.000%	2038	166,651				
		2.000%	2039	166,652				
		2.000%	2040	166,651				
		2.000%	2041	166,652				
		2.000%	2042	166,651				
		2.000%	2043	166,652				
		2.000%	2044	166,651				
		2.000%	2045	166,651				
		2.000%	2046	166,651				
		2.500%	2047	166,651				
		2.500%	2048	166,651				
		2.500%	2049	166,651				
		2.500%	2050	166,651				
					4,332,938		166,652	4,166,286

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance Jan. 1, 2025	2025 Issued	2025 Redeemed	Balance Dec. 31, 2025
New Jersey Environmental								
Infrastructure Trust - Series 2021	6/10/2021							
Final Clarifier Repair Project								
		5.000%	2026	40,000				
		5.000%	2027	40,000				
		5.000%	2028	45,000				
		5.000%	2029	45,000				
		5.000%	2030	45,000				
		4.000%	2031	50,000				
		3.000%	2032	50,000				
		3.000%	2033	50,000				
		0.030%	2034	55,000				
		3.000%	2035	55,000				
		2.000%	2036	55,000				
		3.000%	2037	60,000				
		3.000%	2038	60,000				
		2.000%	2039	60,000				
		2.000%	2040	65,000				
		2.000%	2041	65,000				
		2.000%	2042	65,000				
		2.000%	2043	65,000				
		2.000%	2044	70,000				
		2.000%	2045	70,000				
		2.000%	2046	70,000				
		2.500%	2047	70,000				
		2.500%	2048	75,000				
		2.500%	2049	75,000				
		2.500%	2050	75,000				
					1,510,000		35,000	1,475,000

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance Jan. 1, 2025	2025 Issued	2025 Redeemed	Balance Dec. 31, 2025
New Jersey Environmental								
Infrastructure Fund - Series 2022 A-2	12/22/2022							
Final Clarifier Repair Project								
			2026	20,276				
			2027	20,276				
			2028	20,276				
			2029	20,276				
			2030	20,276				
			2031	20,276				
			2032	20,276				
			2033	20,276				
			2034	20,276				
			2035	20,276				
			2036	20,276				
			2037	20,276				
			2038	20,276				
			2039	20,276				
			2040	20,276				
			2041	20,276				
			2042	20,276				
			2043	20,276				
			2044	20,276				
			2045	20,275				
			2046	20,276				
			2047	20,276				
			2048	20,276				
			2049	20,276				
			2050	20,275				
					527,174	-	20,276	506,898

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance Jan. 1, 2025	2025 Issued	2025 Redeemed	Balance Dec. 31, 2025
New Jersey Environmental								
Infrastructure Trust - Series 2022 A-2	12/22/2022							
Final Clarifier Repair Project								
		5.000%	2026	5,000				
		5.000%	2027	5,000				
		5.000%	2028	5,000				
		5.000%	2029	5,000				
		5.000%	2030	5,000				
		5.000%	2031	5,000				
		5.000%	2032	5,000				
		5.000%	2033	5,000				
		5.000%	2034	5,000				
		5.000%	2035	5,000				
		5.000%	2036	5,000				
		5.000%	2037	5,000				
		5.000%	2038	5,000				
		5.000%	2039	5,000				
		5.000%	2040	5,000				
		5.000%	2041	5,000				
		5.000%	2042	5,000				
		5.000%	2043	10,000				
		5.000%	2044	10,000				
		5.000%	2045	10,000				
		5.000%	2046	10,000				
		5.000%	2047	10,000				
		5.000%	2048	10,000				
		5.000%	2049	10,000				
		5.000%	2050	10,000				
					170,000	-	5,000	165,000

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance	Issued	Redeemed	Balance
New Jersey Environmental								
Infrastructure Trust - Series 2025 A-SW1	5/15/2025							
Phosphorus & Infiltration Project								
		5.000%	2026	150,000				
		5.000%	2027	160,000				
		5.000%	2028	170,000				
		5.000%	2029	175,000				
		5.000%	2030	180,000				
		5.000%	2031	190,000				
		5.000%	2032	200,000				
		5.000%	2033	210,000				
		5.000%	2034	215,000				
		5.000%	2035	230,000				
		5.000%	2036	230,000				
		5.000%	2037	250,000				
		5.000%	2038	260,000				
		3.710%	2039	279,734				
		3.710%	2040	282,155				
		3.710%	2041	292,002				
		3.710%	2042	301,715				
		3.710%	2043	311,287				
		3.710%	2044	320,715				
		3.710%	2045	334,992				
		3.710%	2046	344,050				
		3.710%	2047	362,943				
		3.710% e	2048	376,602				
		3.710%	2049	385,017				
		3.710%	2050	398,180				
		3.710%	2051	411,082				
		3.710%	2052	428,712				
		3.710%	2053	445,996				
		3.710%	2054	439,981				
						8,335,163		8,335,163

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF REVENUE AND REVENUE REFUNDING BONDS

Description	Date of Issue	Interest Rate	Outstanding Maturities December 31, 2025 Date	Amount	Balance	Issued	Redeemed	Balance
New Jersey Environmental								
Infrastructure Trust - Series 2025 A-C-SW1	5/15/2025							
Phosphorus & Infiltration Project			2026	166,402				
			2027	166,402				
			2028	166,402				
			2029	166,402				
			2030	166,402				
			2031	166,402				
			2032	166,402				
			2033	166,402				
			2034	166,402				
			2035	166,402				
			2036	166,402				
			2037	166,402				
			2038	166,402				
			2039	166,402				
			2040	166,402				
			2041	166,402				
			2042	166,402				
			2043	166,402				
			2044	166,402				
			2045	166,402				
			2046	166,402				
			2047	166,402				
			2048	166,402				
			2049	166,402				
			2050	166,402				
			2051	166,402				
			2052	166,402				
			2053	166,402				
			2054	183,042				
						4,908,866	66,561	4,842,305
					12,700,051	13,244,029	1,002,963	24,941,117
				Short-Term	923,128			1,271,715
				Long-Term	11,776,923			23,669,402
				Total	12,700,051			24,941,117

SCHEDULE 7

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

ANALYSIS OF ACCOUNTS RECEIVABLE - SEWER FEES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Balance Dec. 31, 2024	Increased	Decreased	Balance Dec. 31, 2025
City of Jersey City	11,810,364	4,766,198	3,747,534	12,829,028
Town of Boonton	-	729,115	729,115	-
Boonton Township	4	101,210	100,672	542
Town of Dover	(7)	1,327,641	1,327,634	-
Denville Township	4	1,236,211	1,236,215	-
Randolph Township	-	918,945	918,945	-
Rockaway Borough	-	567,141	567,141	-
Rockaway Township	6	2,208,657	2,208,657	6
Victory Gardens	-	171,910	171,910	-
Borough of Wharton	2	693,518	693,520	-
Picatinny Arsenal	13,172	150,061	150,728	12,505
Township of Mine Hill	(364)	144,822	144,822	(364)
	11,823,181	13,015,429	11,996,893	12,841,717

SCHEDULE 8

ROSTER OF OFFICIALS AND REPORT ON SURETY BONDS

The following officials were in office at December 31, 2025:

Name	Office
Hector R. Schorno	Chairman
John Cegelka	Vice Chairman
Donald Farrell	Secretary
William J. Isselin	Treasurer
Patrick Laverty	Member
Mayor William Chegwidden	Member
Phil Sheehy	Member
Mark Howarth	Member
Thomas Zuppa, Jr.	Member
Thomas M. Andes	Member
JoAnn Mondsini	Executive Director
Robert Bocchino	Manager of Engineering
Catherine Kopec	Manager of Safety/HR
Eric Reichert	Plant Manager
Patrick O'Donnell	Operation Manager
Ginette Simola	Laboratory Manager
Sandy Thai, CMFO	Chief Financial Officer

All members and employees are covered by insurance policies provided through the New Jersey Utility Authorities Joint Insurance Fund.

Government Auditing Standards Report

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, RMA, PSA, CMFO
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, PSA, CMFO
ROBERT C. MCNINCH, CPA, CFE, PSA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Chairman and Members of the
Rockaway Valley Regional Sewerage Authority
99 Green Bank Road
Boonton, New Jersey 07005

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Rockaway Valley Regional Sewerage Authority, as of and for the year ended December 31, 2025, and the related notes to the financial statements, and have issued our report thereon dated October 13, 2026.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wielkotz & Company, LLC

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

October 13, 2026

Single Audit Section

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 25-12

Honorable Chairman and Members of the
Rockaway Valley Regional Sewerage Authority
99 Green Bank Road
Boonton, New Jersey 07005

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Rockaway Valley Regional Sewerage Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the N.J. Office of Management and Budget Circular 25-12 Compliance Supplement that could have a direct and material effect on each of Rockaway Valley Regional Sewerage Authority's major federal and state programs for the year ended December 31, 2025. Rockaway Valley Regional Sewerage Authority's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rockaway Valley Regional Sewerage Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 25-12. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Rockaway Valley Regional Sewerage Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Rockaway Valley Regional Sewerage Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Rockaway Valley Regional Sewerage Authority's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Rockaway Valley Regional Sewerage Authority's compliance based on our audit. 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 generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. OMB Circular 25-12 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Rockaway Valley Regional Sewerage Authority's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. OMB Circular 25-12, we:

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

- Identify and assess the risks of material noncompliance, 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 Rockaway Valley Regional Sewerage Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Rockaway Valley Regional Sewerage Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 25-12, but not for the purpose of expressing an opinion on the effectiveness of Rockaway Valley Regional Sewerage Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and N.J. OMB Circular 25-12. Accordingly, this report is not suitable for any other purpose.

Wielkotz & Company, LLC

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

October 13, 2026

SCHEDULE A

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	CFDA Number	State Agency Account Number	Grant Award	Grant Receipts	Grant Period From	Grant Period To	Grant Expenditures	Cumulative Grant Expenditures
U.S. Environmental Protection Agency:								
Pass Through New Jersey Department of Environmental Protection:								
Capitalization Grants for Clean Water State Revolving Funds:								
NJEIT Project No. S340821-08	66.458	n/a	$ 6,624,041	$ 519,172	01/01/25	12/31/25	$ -	$ 6,624,041
NJEIT Project No. S340821-10	66.458	n/a	$ 4,655,010	$ 500,477	01/01/25	12/31/25	$ 264,782	$ 2,573,471
NJEIT Project No. S340821-11	66.458	n/a	$ 5,529,381	$ 842,456	01/01/25	12/31/25	$ 842,456	$ 1,111,506
Total Federal Financial Assistance				$ 1,862,105			$ 1,107,238	$ 10,309,018

See accompanying notes to the schedule of expenditures of federal awards.

SCHEDULE B

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF EXPENDITURES OF STATE AWARDS

DECEMBER 31, 2025

State Funding Department	State Grant Account Number	Grant Award	Grant Receipts	Grant Period From	Grant Period To	Grant Expenditures	Cumulative Grant Expenditures
New Jersey Department of Environmental Protection:							
Sewerage Facility Construction Grants:							
NJEIT Project No. S340821-08	042-4860-510-009	$ 6,624,040	$ 519,172	01/01/25	12/31/25	$ -	$ 6,624,040
NJEIT Project No. S340821-10	042-4860-510-009	$ 4,655,010	$ 500,477	01/01/25	12/31/25	$ 264,780	$ 2,573,471
NJEIT Project No. S340821-11	042-4860-510-009	$ 5,529,381	$ 842,457	01/01/25	12/31/25	$ 842,457	$ 1,111,506
Total State Financial Assistance			$ 1,862,106			$ 1,107,237	$ 10,309,017

See accompanying notes to the schedule of expenditures of state awards.

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2025

NOTE 1. GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Rockaway Valley Regional Sewerage Authority. The Authority is defined in Note 1 to the Authority's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the accrual basis of accounting. These bases of accounting are described in Notes 2(A) to the Authority's basic financial statements. The information in this schedule is presented in accordance with the requirements of Uniform Guidance and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Authority's financial statements as follows:

	New Jersey Environme Fund	New Environme Trust	Total
Balance- 12/31/24	$6,715,457	$6,715,455	$13,430,912
Loans Awarded	-	-	-
Loans Received	1,862,105	1,862,106	3,724,211
Cancelled			
Balance- 12/31/25	$4,853,351	$4,853,348	$9,706,701

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. INDIRECT COST RATE

The Rockaway Valley Regional Sewerage Authority has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Reportable condition(s) identified that are not considered to be material weaknesses? ____ yes ___X___ none reported

2. Material weakness(es) identified? ____ yes ___X___ no

Noncompliance material to basic financial statements noted? ____ yes ___X___ no

Federal Awards

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? ____ yes ___X___ none reported

2. Material weakness(es) identified? ____ yes ___X___ no

Type of auditor's report issued on compliance for major programs: unmodified

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Fund

Dollar threshold used to distinguish between type A and type B programs: $1,000,000

Auditee qualified as low-risk auditee? ____ yes ___X___ no

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditor's Results, (continued)

State Awards Section

Dollar threshold used to determine type A programs:	$ 1,000,000	
Auditee qualified as low-risk auditee?	X yes	_____ no
Type of auditors' report on compliance for major programs:		unmodified
Internal Control over compliance:		
1. Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	X none reported
2. Material weakness(es) identified?	_____ yes	X no
Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 25-12, as amended?	_____ yes	X no

Identification of major programs:

GMIS Number(s)	Name of State Program
042-4860-510-009	N.J. Environmental Infrastructure Trust

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025
(continued)

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No matters were reported

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Status of Prior Year Findings

None

General Comments and Recommendations

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

GENERAL COMMENTS

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

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

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to $53,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

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

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

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

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

ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY

COMMENTS AND RECOMMENDATIONS

There were no problems and weaknesses that were noted in our audit that were material that they would affect our ability to express an opinion on the financial statements taken as a whole.

There was no prior year's recommendations that needed corrective action.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, do not hesitate to call us.

We wish to thank Rockaway Valley Regional Sewerage Authority for their cooperation during the performance of our audit.

Respectfully submitted,

Wielkotz & Company, LLC

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