

SYNOPSIS OF THE AUDIT REPORT OF THE
 RAHWAY VALLEY SEWERAGE AUTHORITY
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013 AND 2012
AS REQUIRED BY N.J. S. 40A:5A-16

STATEMENTS OF NET POSITION

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 2,045,135	\$ 1,760,312
Accounts Receivable	36,185	30,581
Prepaid Expenses and Other	<u>116,000</u>	<u>83,700</u>
<u>Total Unrestricted Assets</u>	<u>\$ 2,197,320</u>	<u>\$ 1,874,593</u>
Restricted Assets:		
Cash and Cash Equivalents	<u>\$ 6,378,105</u>	<u>\$ 7,464,929</u>
<u>Total Restricted Assets</u>	<u>\$ 6,378,105</u>	<u>\$ 7,464,929</u>
Property, Plant and Equipment, at Cost	\$ 266,542,077	\$ 265,438,984
Less: Accumulated Depreciation	<u>49,320,232</u>	<u>42,046,975</u>
<u>Net Property, Plant and Equipment</u>	<u>\$ 217,221,845</u>	<u>\$ 223,392,009</u>
<u>TOTAL ASSETS</u>	<u>\$ 225,797,270</u>	<u>\$ 232,731,531</u>

LIABILITIES

Current Liabilities Payable From Unrestricted Assets:

Accounts Payable and Accrued Expenses	\$ 749,405	\$ 701,250
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<u>Total Current Liabilities Payable From Unrestricted Assets</u>	<u>\$ 749,405</u>	<u>\$ 701,250</u>
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Current Liabilities Payable From Restricted Assets:

Current Portion of Long-term Debt	\$ 10,280,128	\$ 10,341,048
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Accounts Payable	90,593	363,081
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Retainage Due Contractors	27,846	27,093
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Accrued Interest Payable	1,181,288	1,311,853
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<u>Total Current Liabilities Payable From Restricted Assets</u>	<u>\$ 11,579,855</u>	<u>\$ 12,043,075</u>
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Total Long-Term Debt, Net of Current Maturities	\$ 166,807,663	\$ 174,621,132
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<u>Total Liabilities</u>	<u>\$ 179,136,923</u>	<u>\$ 191,552,106</u>
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DEFERRED INFLOWS OF RESOURCES

Credits on Debt Refunding	\$ 3,762,515	\$ 4,186,649
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<u>Total Deferred Inflows of Resources</u>	<u>\$ 3,762,515</u>	<u>\$ 4,186,649</u>
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NET POSITION

Invested in Capital Assets, net of Related Liabilities	\$ 36,286,140	\$ 34,039,197
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Restricted	5,163,777	5,966,885
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Unrestricted	1,447,915	1,173,343
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<u>Total Net Position</u>	<u>\$ 42,897,832</u>	<u>\$ 41,179,425</u>
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<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>	<u>\$ 225,797,270</u>	<u>\$ 232,731,531</u>
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STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Operating Revenues:		
Member Annual Assessments	\$ 24,843,000	\$ 23,880,000
Discharge, Permit and Other Fees	702,198	230,449
Other Income, Net	<u>269,680</u>	<u>64,164</u>
<u>Total Operating Revenues</u>	<u>\$ 25,814,878</u>	<u>\$ 24,174,613</u>
Operating Expenses:		
Costs of Providing Services	\$ 8,924,994	\$ 8,568,981
General and Administrative	2,918,234	3,043,965
Depreciation	<u>7,288,549</u>	<u>7,303,796</u>
<u>Total Operating Expenses</u>	<u>\$ 19,131,777</u>	<u>\$ 18,916,742</u>
<u>Operating Income</u>	<u>\$ 6,683,101</u>	<u>\$ 5,257,871</u>
Nonoperating Revenues (Expenses):		
Interest Income - Unrestricted Funds	\$ 1,122	\$ 10,176
Interest Income - Restricted Funds	59,492	94,746
Interest Expense, Net	<u>(5,025,308)</u>	<u>(5,409,676)</u>
<u>Net Income (Loss)</u>	<u>\$ 1,718,407</u>	<u>\$ (46,883)</u>
Net Position, Beginning of Year	<u>\$ 41,179,425</u>	<u>\$ 41,226,308</u>
Net Position, End of Year	<u><u>\$ 42,897,832</u></u>	<u><u>\$ 41,179,425</u></u>

FINDINGS AND RECOMMENDATIONS

NONE

The above summary or synopsis was prepared from the report of audit of the Rahway Valley Sewerage Authority, County of Union, for the years ended December 31, 2013 and 2012. This report of audit, submitted by Suplee, Clooney & Company, Certified Public Accountants, is on file at the Executive Director's Office and may be inspected by any interested person.

EXECUTIVE DIRECTOR