

SYNOPSIS OF THE AUDIT REPORT OF THE  
 RAHWAY VALLEY SEWERAGE AUTHORITY  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015 AND 2014  
AS REQUIRED BY N.J. S. 40A:5A-16

STATEMENTS OF NET POSITION

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 2,152,691	\$ 1,668,643
Accounts Receivable	61,917	163
Prepaid Expenses and Other	<u>116,000</u>	<u>61,088</u>
<u>Total Unrestricted Assets</u>	<u>\$ 2,330,608</u>	<u>\$ 1,729,894</u>
Restricted Assets:		
Cash and Cash Equivalents	\$ 7,329,027	\$ 7,303,629
Accounts Receivable	<u>421,691</u>	<u>-</u>
<u>Total Restricted Assets</u>	<u>\$ 7,750,718</u>	<u>\$ 7,303,629</u>
Property, Plant and Equipment, at Cost	\$ 269,753,296	\$ 267,437,221
Less: Accumulated Depreciation	<u>66,095,307</u>	<u>57,356,242</u>
<u>Net Property, Plant and Equipment</u>	<u>\$ 203,657,989</u>	<u>\$ 210,080,979</u>
Deferred Outflows of Resources:		
Pension Related	<u>1,571,184</u>	<u>324,084</u>
<u>TOTAL ASSETS</u>	<u>\$ 215,310,499</u>	<u>\$ 219,438,586</u>

## LIABILITIES

Current Liabilities Payable From Unrestricted Assets:		
Accounts Payable and Accrued Expenses	\$ 890,846	\$ 637,482
<u>Total Current Liabilities Payable From Unrestricted Assets</u>	<u>\$ 890,846</u>	<u>\$ 637,482</u>
Current Liabilities Payable From Restricted Assets:		
Current Portion of Long-term Debt	\$ 10,473,000	\$ 10,335,536
Accounts Payable	316,105	305,370
Retainage Due Contractors	50,738	23,318
Accrued Interest Payable	1,018,686	1,104,568
<u>Total Current Liabilities Payable From Restricted Assets</u>	<u>\$ 11,858,529</u>	<u>\$ 11,768,792</u>
Total Long-Term Debt, Net of Current Maturities	\$ 152,849,784	\$ 158,989,175
Net Pension Liability	11,907,625	9,981,863
<u>Total Liabilities</u>	<u>\$ 177,506,784</u>	<u>\$ 181,377,312</u>

## DEFERRED INFLOWS OF RESOURCES

Credits on Debt Refunding	\$ 3,047,301	\$ 3,404,909
Pension Related	234,142	594,865
Deferred Bond Premium	64,105	-
<u>Total Deferred Inflows of Resources</u>	<u>\$ 3,345,548</u>	<u>\$ 3,999,774</u>

## NET POSITION

Invested in Capital Assets, net of Related Liabilities	\$ 37,689,279	\$ 37,056,865
Restricted	5,899,710	6,164,867
Unrestricted	(9,130,822)	(9,160,232)
<u>Total Net Position</u>	<u>\$ 34,458,167</u>	<u>\$ 34,061,500</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>	<u>\$ 215,310,499</u>	<u>\$ 219,438,586</u>

STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating Revenues:		
Member Annual Assessments	\$ 24,710,000	\$ 24,976,500
Discharge, Permit and Other Fees	1,075,450	759,459
Other Income, Net	<u>76,736</u>	<u>682,826</u>
<u>Total Operating Revenues</u>	<u>\$ 25,862,186</u>	<u>\$ 26,418,785</u>
Operating Expenses:		
Costs of Providing Services	\$ 8,758,568	\$ 9,107,952
General and Administrative	3,351,076	2,947,516
Depreciation	<u>8,819,323</u>	<u>8,036,010</u>
<u>Total Operating Expenses</u>	<u>\$ 20,928,967</u>	<u>\$ 20,091,478</u>
<u>Operating Income</u>	<u>\$ 4,933,219</u>	<u>\$ 6,327,307</u>
Nonoperating Revenues (Expenses):		
Interest Income - Unrestricted Funds	\$ 3,523	\$ 2,854
Interest Income - Restricted Funds	4,028	3,718
Grant Income/Loan Forgiveness	301,065	-
Interest Expense, Net	<u>(4,845,168)</u>	<u>(4,917,567)</u>
<u>Net Income (Loss)</u>	<u>\$ 396,667</u>	<u>\$ 1,416,312</u>
Net Position, Beginning of Year - as originally reported	\$ 34,061,500	\$ 42,897,832
Restatement to include Net Pension Liability		<u>(10,252,644)</u>
Net Position, Beginning of Year - Restated		<u>32,645,188</u>
Net Position, End of Year	<u>\$ 34,458,167</u>	<u>\$ 34,061,500</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, 2015 and 2014. 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