

SYNOPSIS OF THE AUDIT REPORT OF THE
 RAHWAY VALLEY SEWERAGE AUTHORITY
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016 AND 2015
AS REQUIRED BY N.J. S. 40A:5A-16

STATEMENTS OF NET POSITION

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 2,661,500	\$ 2,152,691
Accounts Receivable	2,470	61,917
Prepaid Expenses and Other	158,000	116,000
Other Receivable	234,000	-
	\$ 3,055,970	\$ 2,330,608
Restricted Assets:		
Cash and Cash Equivalents	\$ 6,654,213	\$ 7,329,027
Accounts Receivable	84,874	421,691
	\$ 6,739,087	\$ 7,750,718
Property, Plant and Equipment, at Cost	\$ 271,282,922	\$ 269,753,296
Less: Accumulated Depreciation	74,678,922	66,095,307
	\$ 196,604,000	\$ 203,657,989
Other Receivable - Long Term	4,166,000	
Deferred Outflows of Resources:		
Pension Related	5,039,439	1,571,184
	\$ 215,604,496	\$ 215,310,499
<u>TOTAL ASSETS</u>	<u>\$ 215,604,496</u>	<u>\$ 215,310,499</u>

LIABILITIES

Current Liabilities Payable From Unrestricted Assets:

Accounts Payable and Accrued Expenses \$ 1,498,596 \$ 890,846

Total Current Liabilities Payable From Unrestricted Assets \$ 1,498,596 \$ 890,846

Current Liabilities Payable From Restricted Assets:

Current Portion of Long-term Debt \$ 10,898,000 \$ 10,473,000

Accounts Payable 77,903 316,105

Retainage Due Contractors 5,991 50,738

Accrued Interest Payable 958,177 1,018,686

Total Current Liabilities Payable From Restricted Assets \$ 11,940,071 \$ 11,858,529

Total Long-Term Debt, Net of Current Maturities

\$ 144,650,561 \$ 152,849,784

Net Pension Liability

16,203,505 11,907,625

Total Liabilities \$ 174,292,733 \$ 177,506,784

DEFERRED INFLOWS OF RESOURCES

Credits on Debt Refunding \$ 2,689,694 \$ 3,047,301

Pension Related 33,646 234,142

Deferred Bond Premium 60,656 64,105

Total Deferred Inflows of Resources \$ 2,783,996 \$ 3,345,548

NET POSITION

Invested in Capital Assets, net of Related Liabilities \$ 38,684,697 \$ 37,689,279

Restricted 9,717,407 5,899,710

Unrestricted (9,874,337) (9,130,822)

Total Net Position \$ 38,527,767 \$ 34,458,167

TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION \$ 215,604,496 \$ 215,310,499

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues:		
Member Annual Assessments	\$ 24,801,000	\$ 24,710,000
Discharge, Permit and Other Fees	693,627	1,075,450
Other Income, Net	<u>6,449</u>	<u>76,736</u>
<u>Total Operating Revenues</u>	<u>\$ 25,501,076</u>	<u>\$ 25,862,186</u>
Operating Expenses:		
Costs of Providing Services	\$ 9,014,205	\$ 8,758,568
General and Administrative	3,207,272	3,351,076
Pension Expense Charge	1,113,164	-
Depreciation	<u>8,716,516</u>	<u>8,819,323</u>
<u>Total Operating Expenses</u>	<u>\$ 22,051,157</u>	<u>\$ 20,928,967</u>
<u>Operating Income</u>	<u>\$ 3,449,919</u>	<u>\$ 4,933,219</u>
Nonoperating Revenues (Expenses):		
Interest Income - Unrestricted Funds	\$ 5,862	\$ 3,523
Interest Income - Restricted Funds	11,456	4,028
Capital Litigation Settlements	5,250,000	-
Grant Income/Loan Forgiveness	79,008	301,065
Interest Expense, Net	<u>(4,726,645)</u>	<u>(4,845,168)</u>
<u>Net Income (Loss)</u>	<u>\$ 4,069,600</u>	<u>\$ 396,667</u>
Net Position, Beginning of Year	<u>\$ 34,458,167</u>	<u>\$ 34,061,500</u>
Net Position, End of Year	<u>\$ 38,527,767</u>	<u>\$ 34,458,167</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, 2016 and 2015. 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