

SYNOPSIS OF THE AUDIT REPORT OF THE  
 RAHWAY VALLEY SEWERAGE AUTHORITY  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017 AND 2016  
AS REQUIRED BY N.J. S. 40A:5A-16

STATEMENTS OF NET POSITION

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 2,588,222	\$ 2,661,500
Accounts Receivable	13,308	2,470
Prepaid Expenses and Other	179,500	158,000
Other Receivable	<u>108,778</u>	<u>105,696</u>
 <u>Total Unrestricted Assets</u>	 <u>\$ 2,889,808</u>	 <u>\$ 2,927,666</u>
Restricted Assets:		
Cash and Cash Equivalents	\$ 5,483,700	\$ 6,654,213
Accounts Receivable	<u>6,268,825</u>	<u>84,874</u>
 <u>Total Restricted Assets</u>	 <u>\$ 11,752,525</u>	 <u>\$ 6,739,087</u>
 Property, Plant and Equipment, at Cost	 \$ 272,862,236	 \$ 271,282,922
Less: Accumulated Depreciation	<u>83,256,653</u>	<u>74,678,922</u>
 <u>Net Property, Plant and Equipment</u>	 <u>\$ 189,605,583</u>	 <u>\$ 196,604,000</u>
 Other Receivable - Long Term	 4,185,526	 4,294,304
Deferred Outflows of Resources:		
Pension Related	<u>4,343,296</u>	<u>5,039,439</u>
 <u>TOTAL ASSETS</u>	 <u><u>\$ 212,776,738</u></u>	 <u><u>\$ 215,604,496</u></u>

LIABILITIES

Current Liabilities Payable From Unrestricted Assets:

Accounts Payable and Accrued Expenses	\$ <u>1,299,555</u>	\$ <u>1,498,596</u>
<u>Total Current Liabilities Payable From Unrestricted Assets</u>	\$ <u>1,299,555</u>	\$ <u>1,498,596</u>

Current Liabilities Payable From Restricted Assets:

Current Portion of Long-term Debt	\$ 11,158,989	\$ 10,898,000
Accounts Payable	351,504	77,903
Retainage Due Contractors	29,588	5,991
Accrued Interest Payable	<u>853,089</u>	<u>958,177</u>

<u>Total Current Liabilities Payable From Restricted Assets</u>	\$ <u>12,393,170</u>	\$ <u>11,940,071</u>
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Total Long-Term Debt, Net of Current Maturities	\$ 136,394,599	\$ 144,650,561
NJEIT Interim Financing	6,210,947	-
Net Pension Liability	<u>13,379,199</u>	<u>16,203,505</u>

<u>Total Liabilities</u>	\$ <u>169,677,470</u>	\$ <u>174,292,733</u>
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DEFERRED INFLOWS OF RESOURCES

Credits on Debt Refunding	\$ 2,332,088	\$ 2,689,694
Pension Related	2,710,167	33,646
Deferred Bond Premium	<u>57,206</u>	<u>60,656</u>

<u>Total Deferred Inflows of Resources</u>	\$ <u>5,099,461</u>	\$ <u>2,783,996</u>
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NET POSITION

Invested in Capital Assets, net of Related Liabilities	\$ 39,423,629	\$ 38,684,697
Restricted	8,840,773	9,717,407
Unrestricted	<u>(10,264,595)</u>	<u>(9,874,337)</u>

<u>Total Net Position</u>	\$ <u>37,999,807</u>	\$ <u>38,527,767</u>
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<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>	\$ <u><u>212,776,738</u></u>	\$ <u><u>215,604,496</u></u>
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STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
Member Annual Assessments	\$ 24,421,500	\$ 24,801,000
Discharge, Permit and Other Fees	433,943	693,627
Other Income, Net	<u>9,903</u>	<u>6,449</u>
<u>Total Operating Revenues</u>	<u>\$ 24,865,346</u>	<u>\$ 25,501,076</u>
Operating Expenses:		
Costs of Providing Services	\$ 8,509,773	\$ 9,014,205
General and Administrative	3,485,201	3,207,272
Pension Expense Charge	548,358	1,113,164
Depreciation	<u>8,577,734</u>	<u>8,716,516</u>
<u>Total Operating Expenses</u>	<u>\$ 21,121,066</u>	<u>\$ 22,051,157</u>
<u>Operating Income</u>	<u>\$ 3,744,280</u>	<u>\$ 3,449,919</u>
Nonoperating Revenues (Expenses):		
Interest Income - Unrestricted Funds	\$ 135,061	\$ 5,862
Interest Income - Restricted Funds	24,438	11,456
Capital Litigation Settlements	-	5,250,000
Grant Income/Loan Forgiveness	6,332	79,008
Grants	150,000	-
Interest Expense, Net	<u>(4,588,071)</u>	<u>(4,726,645)</u>
<u>Net Income (Loss)</u>	<u>\$ (527,960)</u>	<u>\$ 4,069,600</u>
Net Position, Beginning of Year	<u>\$ 38,527,767</u>	<u>\$ 34,458,167</u>
Net Position, End of Year	<u>\$ 37,999,807</u>	<u>\$ 38,527,767</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, 2017 and 2016. 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.

James J. Meehan, RVSA Executive Director