

SYNOPSIS OF THE AUDIT REPORT OF THE
 RAHWAY VALLEY SEWERAGE AUTHORITY
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 AND 2017
AS REQUIRED BY N.J. S. 40A:5A-16

STATEMENTS OF NET POSITION

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 8,450,283	\$ 8,071,922
Receivables	2,066,520	6,282,133
Prepaid Expenses	178,300	179,500
Other Receivable	4,185,526	4,294,304
Property, Plant and Equipment, at Cost	\$ 277,731,991	\$ 272,862,236
Less: Accumulated Depreciation	<u>91,979,427</u>	<u>83,256,653</u>
<u>Net Property, Plant and Equipment</u>	\$ 185,752,564	\$ 189,605,583
Deferred Outflows of Resources – Pension Related	3,864,936	4,343,296
Deferred Outflows of Resources - OPEB Related	<u>1,171,291</u>	<u>180,416</u>
<u>TOTAL ASSETS</u>	\$ 205,669,420	\$ 212,957,154
<u>LIABILITIES</u>		
Accounts Payable and Accrued Expenses	\$ 2,217,754	\$ 1,858,362
Bonds Payable	\$ 139,416,277	\$ 147,553,588
Accrued Interest Payable	743,013	853,089
NJIB Interim Financing	6,567,507	6,210,947
Net Pension Liability	11,889,949	13,379,199
OPEB Related	<u>12,858,377</u>	<u>15,761,806</u>
Total Liabilities	\$ 173,692,877	\$ 185,616,991
Deferred Inflows of Resources - Credits on Debt Refunding	\$ 1,974,481	\$ 2,332,088
Deferred Inflows of Resources - Pension Related	3,990,168	2,710,167
Deferred Inflows of Resources - OPEB Related	6,165,098	2,090,578
Deferred Inflows of Resources - Deferred Bond Premium	<u>53,756</u>	<u>57,206</u>
<u>Total Deferred Inflows of Resources</u>	\$ 12,183,503	\$ 7,190,039
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 39,621,533	\$ 39,423,629
Unrestricted	(28,706,725)	(28,114,278)
Restricted	<u>8,878,232</u>	<u>8,840,773</u>
<u>Total Net Position</u>	\$ 19,793,040	\$ 20,150,124
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>	\$ <u>205,669,420</u>	\$ <u>199,086,714</u>

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues:		
Member Annual Assessments	\$ 25,060,000	\$ 24,421,500
Discharge, Permit and Other Fees	944,188	433,943
Other Income, Net	<u>13,027</u>	<u>9,903</u>
<u>Total Operating Revenues</u>	\$ 26,017,215	\$ 24,865,346
Operating Expenses:		
Costs of Providing Services	\$ 9,314,104	\$ 8,509,773
General and Administrative	3,588,528	3,485,201
Pension Expense Charge	269,111	548,358
OPEB Expense Charge	198,046	177,715
Depreciation	<u>8,762,529</u>	<u>8,577,734</u>
<u>Total Operating Expenses</u>	\$ 22,132,318	\$ 21,298,781
<u>Operating Income</u>	\$ 3,884,897	\$ 3,566,565
Non-Operating Revenues (Expenses):		
Interest Income	\$ 195,485	\$ 159,499
Grant Income and Loan Forgiveness	5,787	156,332
Interest Expense, Net	<u>(4,443,253)</u>	<u>(4,588,071)</u>
<u>Net Income (Loss)</u>	\$ (357,084)	\$ (705,675)
Net Position, Beginning of Year - As Originally Reported	\$ 20,150,124	\$ 38,527,767
Restatement to Include OPEB Liability	-	<u>(17,671,968)</u>
Net Position, Beginning of Year - Restated	\$ -	<u>20,855,799</u>
Net Position, End of Year	\$ <u>19,793,040</u>	\$ <u>20,150,124</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, 2018 and 2017. 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, Executive Director