

SYNOPSIS OF THE AUDIT REPORT OF THE
 RAHWAY VALLEY SEWERAGE AUTHORITY
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019 AND 2018
AS REQUIRED BY N.J. S. 40A:5A-16

STATEMENTS OF NET POSITION

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 9,606,869	\$ 8,450,283
Receivables	1,038,825	2,066,520
Prepaid Expenses	142,844	178,300
Other Receivable	4,245,867	4,185,526
Property, Plant and Equipment, at Cost	\$ 279,764,638	\$ 277,731,991
Less: Accumulated Depreciation	<u>100,917,362</u>	<u>91,979,427</u>
<u>Net Property, Plant and Equipment</u>	\$ 178,847,276	\$ 185,752,564
Deferred Outflows of Resources – Pension Related	2,351,700	3,864,936
Deferred Outflows of Resources - OPEB Related	<u>841,625</u>	<u>1,171,291</u>
<u>TOTAL ASSETS</u>	\$ <u>197,075,006</u>	\$ <u>205,669,420</u>
 <u>LIABILITIES</u>		
Accounts Payable and Accrued Expenses	\$ 2,328,673	\$ 2,217,754
Bonds Payable	\$ 131,182,222	\$ 139,416,277
Accrued Interest Payable	627,824	743,013
NJIB Interim Financing	6,567,507	6,567,507
Net Pension Liability	10,783,169	11,889,949
OPEB Related	<u>10,174,860</u>	<u>12,858,377</u>
Total Liabilities	\$ 161,664,255	\$ 173,692,877
Deferred Inflows of Resources - Credits on Debt Refunding	\$ 1,616,874	\$ 1,974,481
Deferred Inflows of Resources - Pension Related	4,066,414	3,990,168
Deferred Inflows of Resources - OPEB Related	8,216,464	6,165,098
Deferred Inflows of Resources - Deferred Bond Premium	<u>50,307</u>	<u>53,756</u>
<u>Total Deferred Inflows of Resources</u>	\$ 13,950,059	\$ 12,183,503
 <u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 39,661,787	\$ 39,621,533
Unrestricted	(27,762,615)	(28,706,725)
Restricted	<u>9,561,520</u>	<u>8,878,232</u>
<u>Total Net Position</u>	\$ <u>21,460,692</u>	\$ <u>19,793,040</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>	\$ <u>197,075,006</u>	\$ <u>205,669,420</u>

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues:		
Member Annual Assessments	\$ 26,290,500	\$ 25,060,000
Discharge, Permit and Other Fees	1,507,629	944,188
Other Income, Net	<u>8,843</u>	<u>13,027</u>
<u>Total Operating Revenues</u>	\$ 27,806,972	\$ 26,017,215
Operating Expenses:		
Costs of Providing Services	\$ 9,879,345	\$ 9,314,104
General and Administrative	3,498,608	3,588,528
Pension Expense Charge	482,700	269,111
OPEB Expense Charge/(Adjustment)	(498,030)	198,046
Depreciation	<u>8,961,850</u>	<u>8,762,529</u>
<u>Total Operating Expenses</u>	\$ 22,324,473	\$ 22,132,318
<u>Operating Income</u>	\$ 5,482,499	\$ 3,884,897
Non-Operating Revenues (Expenses):		
Interest Income	\$ 246,496	\$ 195,485
Grant Income and Loan Forgiveness	225,000	5,787
Interest Expense, Net	<u>(4,286,343)</u>	<u>(4,443,253)</u>
<u>Net Income (Loss)</u>	\$ 1,667,652	\$ (357,084)
Net Position, Beginning of Year - As Originally Reported	\$ 19,793,040	\$ 20,150,124
Net Position, End of Year	\$ 21,460,692	\$ 19,793,040

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, 2019 and 2018. 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