

Synopsis of audit report of the Berkeley Township Municipal Utilities Authority for the fiscal year ended December 31, 2017, as required by N.J.S.A. 40A:5A-16:

Comparative Statements of Net Position
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current unrestricted assets:		
Cash and cash equivalents	\$ 1,651,226	\$ 1,025,008
Investments	1,800,000	2,150,000
Interest receivable	4,764	5,765
Billed user fees receivable	504,324	621,744
Connection fee installment receivable	49,770	34,632
Other receivables	15,741	15,750
Prepaid expenses	16,403	11,126
Total current assets	4,042,228	3,864,025
Current restricted assets:		
Cash and cash equivalents	912,817	712,295
Investments	773,800	570,000
Interest receivable	1,768	41
Other restricted receivables	68,600	273,443
Total current restricted assets	1,756,985	1,555,779
Property, plant and equipment, net	19,658,815	19,983,248
Total assets	25,458,028	25,403,052
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred outflows related to bond refundings	58,547	60,435
Deferred outflows related to pension	362,948	459,524
Total deferred outflow of resources	421,495	519,959
Total assets and deferred outflow of resources	\$ 25,879,523	\$ 25,923,011

Comparative Statements of Net Position (continued)

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>LIABILITIES</u>		
Current unrestricted liabilities:		
Accounts Payable	\$ 19,071	\$ 53,382
Accounts Payable - Related to Pension	52,751	48,872
Accrued Expenses	74,855	65,820
Customer Overpayments	<u>5,294</u>	<u>17,438</u>
Total current liabilities	<u>151,971</u>	<u>185,512</u>
Current restricted liabilities:		
Current portion of bonds payable	213,969	207,899
Current portion of loans payable	292,572	249,803
Construction loan payable	522,868	2,114,451
Accrued interest payable	67,117	65,513
Developer deposits	<u>227,534</u>	<u>205,923</u>
Total current restricted liabilities	<u>1,324,060</u>	<u>2,843,589</u>
Long-term liabilities:		
Bonds payable - long-term	6,239,780	6,453,757
Loans payable - long-term	3,746,104	2,751,517
Net pension liability	<u>1,325,527</u>	<u>1,629,302</u>
Total long-term liabilities	<u>11,311,411</u>	<u>10,834,576</u>
Total liabilities	<u>12,787,442</u>	<u>13,863,677</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred revenue	267,410	49,882
Deferred inflows related to bond refundings	160,000	174,000
Deferred inflows related to pension	<u>272,012</u>	<u>7,607</u>
Total deferred inflow of resources	<u>699,422</u>	<u>231,489</u>
<u>NET POSITION</u>		
Net investment in capital assets	8,542,069	8,092,256
Restricted and unrestricted net position:		
Debt service fund	495,128	489,868
Debt service reserve fund	413,806	677,889
Capital	380,000	360,000
Unrestricted net position:		
Reserved by board designation	740,000	640,000
Unreserved	<u>1,821,656</u>	<u>1,567,832</u>
Total restricted and unrestricted net position	<u>3,850,590</u>	<u>3,735,589</u>
Total net position	<u>12,392,659</u>	<u>11,827,845</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 25,879,523</u>	<u>\$ 25,923,011</u>

Statements of Revenues, Expenditures and Changes in Net Position
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues:		
User charges	\$ 1,750,463	\$ 1,709,497
Connection fees	141,550	61,071
Application fees and permits	1,300	1,240
Other operating revenue	27,289	49,838
Total revenues	1,920,602	1,821,646
Operating expenses:		
Cost of providing services	620,498	611,722
Administrative and general	476,893	488,422
Depreciation	773,623	750,912
Total operating expenses	1,871,014	1,851,056
Non-operating revenues (expenses)		
Water tower rental	229,321	239,804
Interest income	28,249	23,385
Interest expense	(284,980)	(287,435)
Township appropriation	-	(86,019)
Amortization premium/(bond costs), net	19,784	5,978
Debt issuance expense	(4,570)	-
Total non-operating revenue/(expenses)	(12,196)	(104,287)
Contributions and transfers		
NJEIT debt forgiveness	500,000	-
Capital contributions	27,422	79,151
Total contributions and transfers	527,422	79,151
Changes in net position	564,814	(54,546)
Net position, January 1	11,827,845	11,882,391
Net position, December 31	\$ 12,392,659	\$ 11,827,845

For the year ended December 31, 2017, no recommendations were made.

The above synopsis was prepared from the report of the audit of the Berkeley Township Municipal Utilities Authority as of December 31, 2017.

This report of audit, submitted by Holman Frenia Allison, P.C., Certified Public Accountants, is on file at the office of the Berkeley Township Municipal Utilities Authority, Bayville, New Jersey, and may be inspected by any interested person.