

Synopsis of audit report of the Berkeley Township Municipal Utilities Authority for the fiscal year ended December 31, 2016, as required by N.J.S.A. 40A:5A-16:

Comparative Statements of Net Position
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Current unrestricted assets:		
Cash and cash equivalents	\$ 1,025,008	\$ 731,943
Investments	2,150,000	1,835,500
Interest receivable	5,765	7,615
Billed user fees receivable	621,744	607,563
Connection fee installment receivable	34,632	37,430
Other receivables	15,750	10,324
Prepaid expenses	11,126	11,408
Total current assets	3,864,025	3,241,783
Current restricted assets:		
Cash and cash equivalents	712,295	911,331
Investments	570,000	753,800
Interest receivable	41	4,901
Other restricted receivables	273,443	85,405
Total current restricted assets	1,555,779	1,755,437
Property, plant and equipment, net	19,983,248	19,232,159
Total assets	25,403,052	24,229,379
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Unamortized issuance costs, net of accumulated amortization	59,638	61,502
Loss on bond refunding, net of accumulated amortization	797	822
Deferred outflows related to pension	459,524	201,383
Total deferred outflow of resources	519,959	263,707
Total assets and deferred outflow of resources	\$ 25,923,011	\$ 24,493,086

Comparative Statements of Net Position (continued)

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>LIABILITIES</u>		
Current unrestricted liabilities:		
Accounts payable	\$ 53,378	\$ 38,426
Customer overpayments	17,438	9,374
Accrued expenses	64,741	60,224
Unearned revenue	1,079	995
Unearned connection fee revenue	49,882	42,288
Pensions payable	48,872	47,697
Total current liabilities	<u>235,390</u>	<u>199,004</u>
Current restricted liabilities:		
Current portion of bonds payable	202,651	196,615
Current portion of loans payable	247,378	251,167
Construction loan payable	2,114,451	522,868
Accrued interest payable	65,513	54,047
Developer deposits	205,923	321,730
Total current restricted liabilities	<u>2,835,916</u>	<u>1,346,427</u>
Long-term liabilities:		
Bonds payable - long-term	6,291,083	6,493,742
Loans payable - long-term	2,739,053	2,941,431
Net pension liability	1,629,302	1,245,391
Total long-term liabilities	<u>10,659,438</u>	<u>10,680,564</u>
Total liabilities	<u>13,730,744</u>	<u>12,225,995</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Bond premium, net of accumulated amortization	167,922	173,169
Loan premium, net of accumulated amortization	14,889	17,508
Gain on loan refundings, net of accumulated amortization	174,000	174,000
Deferred inflows related to pension	7,607	20,023
Total deferred inflow of resources	<u>364,418</u>	<u>384,700</u>
<u>NET POSITION</u>		
Net investment in capital assets	8,092,256	8,523,983
Restricted and unrestricted net position:		
Debt service fund	489,868	489,868
Debt service reserve fund	677,889	677,889
Capital	360,000	340,000
Unrestricted net position:		
Reserved by board designation	690,000	640,000
Unreserved	1,517,836	1,210,651
Total restricted and unrestricted net position	<u>3,735,593</u>	<u>3,358,408</u>
Total net position	<u>11,827,849</u>	<u>11,882,391</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 25,923,011</u>	<u>\$ 24,493,086</u>

Statements of Revenues, Expenditures and Changes in Net Position
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
User charges	\$ 1,709,497	\$ 1,736,629
Connection fees	61,071	72,289
Other operating revenue	51,078	64,760
Total revenues	<u>1,821,646</u>	<u>1,873,678</u>
Operating expenses:		
Cost of providing services	529,262	530,787
Administrative and general	457,524	439,369
Depreciation	750,912	717,310
Unbudgeted pension expense	113,354	45,104
Total operating expenses	<u>1,851,052</u>	<u>1,732,570</u>
Non-operating revenues (expenses)		
Water tower rental	239,804	256,891
Interest income	23,385	20,091
Interest expense	(287,435)	(280,756)
Township appropriation	(86,019)	(86,254)
Amortization premium/(bond costs), net	5,978	6,162
Donated property	79,151	8,294
FEMA reimbursements	-	41,278
Total non-operating revenue/(expenses)	<u>(25,136)</u>	<u>(34,294)</u>
Changes in net position	(54,542)	106,814
Net position, January 1	11,882,391	12,842,201
Prior period restatement	-	(1,066,624)
Net position January 1, as restated	<u>11,882,391</u>	<u>11,775,577</u>
Net position, December 31	<u>\$ 11,827,849</u>	<u>\$ 11,882,391</u>

For the year ended December 31, 2016, 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, 2016.

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.