

BASIC FINANCIAL STATEMENTS

THE BORDENTOWN SEWERAGE AUTHORITY
STATEMENT OF NET POSITION
NOVEMBER 30, 2014 AND 2013

| | 2014 | 2013 |
|---|--------------|--------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 4,274,748 | \$ 2,776,234 |
| Investments | - | 874 |
| Accounts Receivable: | | |
| Consumer Accounts Receivable | 121,534 | 150,769 |
| Unbilled Revenue | | 10,640 |
| Prepaid Expenses | 8,487 | 8,290 |
| | 4,404,769 | 2,946,807 |
| Total Current Assets | | |
| Noncurrent Assets: | | |
| Restricted Assets: | | |
| Revenue Account | | |
| Cash and Cash Equivalents | 6,135 | 5,161 |
| Operating Account | | |
| Cash and Cash Equivalents | 887,173 | 836,199 |
| Investments | 101,875 | 152,111 |
| Debt Service Account | | |
| Cash and Cash Equivalents | 1,743,953 | 1,978,779 |
| Debt Service Reserve Account | | |
| Cash and Cash Equivalents | 246,735 | 283,298 |
| Investments | 2,111,903 | 1,994,226 |
| Debt Service Reduction Account | | |
| Cash and Cash Equivalents | 500,035 | 500,005 |
| Renewal and Replacement Account | | |
| Cash and Cash Equivalents | 400,000 | 400,000 |
| Unexpended Bond Proceeds | | |
| Cash Held by NJEIT | 259,090 | 495,400 |
| Accrued Interest Receivable | 2,172 | 2,155 |
| | 6,259,071 | 6,647,334 |
| Total Restricted Assets | | |
| Capital Assets | | |
| Land | 2,264,000 | 2,264,000 |
| Buildings, Plant and Equipment (Net of Accumulated Depreciation) | 20,794,582 | 22,221,365 |
| | 23,058,582 | 24,485,365 |
| Total Capital Assets | | |
| Total Assets | | |
| | 33,722,422 | 34,079,506 |
| Deferred Outflows of Resources | | |
| Unamortized Charge on Refunding Bonds | 590,966 | 690,268 |
| Total Deferred Outflows of Resources | | |
| | \$ 590,966 | \$ 690,268 |

See Notes to Financial Statements.

THE BORDENTOWN SEWERAGE AUTHORITY
STATEMENT OF NET POSITION
NOVEMBER 30, 2014 AND 2013

| LIABILITIES | <u>2014</u> | <u>2013</u> |
|--|---------------|---------------|
| Current Liabilities: | | |
| Accounts Payable | \$ 22,022 | \$ 25,330 |
| Payroll Deductions Payable | 1,092 | 3,959 |
| Deposits for Future Claims | | |
| Deposits for Connection Fees | 1,935,836 | 544,848 |
| Developers' Escrow Deposits | 112,105 | 91,426 |
| State Unemployment Compensation | 25,415 | 24,667 |
| | <hr/> | <hr/> |
| | 2,096,470 | 690,230 |
| Current Liabilities Payable From Restricted Assets: | | |
| Revenue Bonds Payable - Current Portion | 1,208,922 | 1,153,922 |
| Bond Interest Payable | 382,079 | 403,164 |
| | <hr/> | <hr/> |
| Total Current Liabilities Payable From Restricted Assets | 1,591,001 | 1,557,086 |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 19,091,436 | 20,320,860 |
| Compensated Absences | 65,935 | 65,253 |
| | <hr/> | <hr/> |
| Total Noncurrent Liabilities | 19,157,371 | 20,386,113 |
| | <hr/> | <hr/> |
| Total Liabilities | 22,844,842 | 22,633,429 |
| NET POSITION | | |
| Net Position: | | |
| Investment in Capital Assets, Net of Related Debt | 3,608,280 | 4,196,251 |
| Restricted Net Position: | | |
| Reserved for Debt Service | 4,222,719 | 4,355,299 |
| Reserved for Operating Costs | 1,001,109 | 987,858 |
| Reserved for Renewal and Replacement | 400,000 | 400,000 |
| Unrestricted Net Position | 2,236,438 | 2,196,937 |
| | <hr/> | <hr/> |
| Total Net Position | \$ 11,468,546 | \$ 12,136,345 |
| | <hr/> | <hr/> |

See Notes to Financial Statements.

THE BORDENTOWN SEWERAGE AUTHORITY
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED NOVEMBER 30, 2014 AND 2013

| | <u>2014</u> | <u>2013</u> |
|--|---------------|---------------|
| Operating Revenues | | |
| User Charges and Fees | \$ 3,572,677 | \$ 3,726,886 |
| Delinquent Penalties | 17,671 | 18,056 |
| Connection Fees | 640,703 | 571,619 |
| Miscellaneous | 87,155 | 110,997 |
| | <hr/> | <hr/> |
| Total Operating Revenues | 4,318,206 | 4,427,558 |
| | <hr/> | <hr/> |
| Operating Expenses: | | |
| Personnel Services | 872,715 | 876,195 |
| Employee Benefits | 508,931 | 525,947 |
| Administrative Expenses | 338,302 | 328,660 |
| Operations and Maintenance | 826,688 | 778,301 |
| Depreciation | 1,727,475 | 1,534,063 |
| | <hr/> | <hr/> |
| Total Operating Expenses | 4,274,111 | 4,043,166 |
| | <hr/> | <hr/> |
| Operating Income | 44,095 | 384,392 |
| | <hr/> | <hr/> |
| Non-Operating Revenues (Expenses): | | |
| Investment Income / (Loss) | 132,262 | (70,411) |
| Interest Expense | (844,157) | (893,481) |
| | <hr/> | <hr/> |
| Total Non-Operating Revenues (Expenses) | (711,896) | (963,892) |
| | <hr/> | <hr/> |
| Income (Loss) | (667,801) | (579,500) |
| | <hr/> | <hr/> |
| Capital Contributions: | | |
| Capital Assets Acquired through Contribution | - | - |
| | <hr/> | <hr/> |
| Change in Net Position | (667,801) | (579,500) |
| | <hr/> | <hr/> |
| Net Position, December 1 | 12,136,345 | 12,715,845 |
| | <hr/> | <hr/> |
| Net Position, November 30 | \$ 11,468,544 | \$ 12,136,345 |
| | <hr/> | <hr/> |

See Notes to Financial Statements.

THE BORDENTOWN SEWERAGE AUTHORITY
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED NOVEMBER 30, 2014 AND 2013

| | 2014 | 2013 |
|---|--------------|--------------|
| Cash Flows From Operating Activities: | | |
| Cash Received from Customers and Users | \$ 5,749,070 | \$ 4,455,536 |
| Cash Payments for Goods and Supplies | (1,149,932) | (1,119,791) |
| Cash Payments for Employee Expenses | (1,380,965) | (1,399,358) |
| | 3,218,172 | 1,936,387 |
| Cash Flows From Capital and Related Financing Activities: | | |
| General and Construction Outlays | (300,692) | (2,047,511) |
| Debt Service: | | |
| Principal | (1,153,922) | (1,251,043) |
| Interest | (786,442) | (826,528) |
| | (2,241,057) | (4,125,082) |
| Net Cash (Used) or Provided by Capital and Related Financing Activities | | |
| Cash Flows From Investing Activities: | | |
| Investment Income | 132,245 | (69,972) |
| Net Change in Investments | (66,567) | 219,467 |
| | 65,678 | 149,495 |
| Net Cash (Used) Or Provided by Investing Activities | | |
| Net Cash Increase (Decrease) for the Year | 1,042,793 | (2,039,200) |
| Cash at Beginning of Year | 7,275,076 | 9,314,276 |
| Cash at End of Year | \$ 8,317,869 | \$ 7,275,076 |
| Noncash Investing, Capital and Financing Activities | | |
| Capital Assets Acquired through Contribution | \$ - | \$ - |

See Notes to Financial Statements.

THE BORDENTOWN SEWERAGE AUTHORITY
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED NOVEMBER 30, 2014 AND 2013

| Reconciliation of Operating Income to Net Cash Used by Operating Activities: | 2014 | 2013 |
|---|---------------------|---------------------|
| Operating Income | \$ 44,095 | \$ 384,392 |
| Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities: | | |
| Depreciation | 1,727,475 | 1,534,063 |
| (Increase) Decrease in: | | |
| Accounts Receivable | 39,875 | (56,533) |
| Prepaid Expenses | (197) | (73) |
| (Decrease) Increase in: | | |
| Accounts Payable | (3,308) | (11,068) |
| Payroll Deductions Payable | (2,867) | (121) |
| Deposits for Connection Fees | 1,390,988 | 84,511 |
| Developers' Escrow Deposits | 20,679 | (245) |
| Reserve for Unemployment Insurance | 748 | 625 |
| Compensated Absences | 682 | 2,784 |
| Total Adjustments | 3,174,074 | 1,553,943 |
| Net Cash Provided by Operating Activities | <u>\$ 3,218,169</u> | <u>\$ 1,938,335</u> |
| <u>Reconciliation of Cash to the Statement of Net Position</u> | | |
| Current Assets: | | |
| Cash | \$ 4,274,748 | \$ 2,776,234 |
| Restricted Assets: | | |
| Cash | 4,043,122 | 4,498,842 |
| | <u>\$ 8,317,869</u> | <u>\$ 7,275,076</u> |

See Notes to Financial Statements.