

SYNOPSIS OF THE AUDIT REPORT OF THE  
 SOMERSET RARITAN 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>A S S E T S</u>                                  |                         |                         |
| Current Restricted Assets:                          |                         |                         |
| Connection Capital Account:                         |                         |                         |
| Cash and Cash Equivalents                           | \$ 7,504,934.04         | \$ 7,072,748.98         |
| Current Unrestricted Assets:                        |                         |                         |
| Operating Account:                                  |                         |                         |
| Cash and Cash Equivalents                           | 7,556,245.39            | 6,644,956.93            |
| Revenue Account:                                    |                         |                         |
| Cash and Cash Equivalents                           | 7,061,760.62            | 3,423,383.83            |
| Accounts Receivable-Participants                    | 2,565,206.20            | 5,087,464.26            |
| Accounts Receivable-Septage and Sludge              | 49,412.50               | 98,684.25               |
| Accounts Receivable-Industrial Pretreatment Program | 77,083.00               | 101,158.00              |
| Accounts Receivable-Groundwater                     | 3,466.84                | 2,376.45                |
| Due From Flexible Spending Account                  | 18,530.34               | 15,326.65               |
| Debt Service Account:                               |                         |                         |
| Cash and Cash Equivalents                           | 377,846.44              | 399,816.09              |
| Debt Service Reserve Account:                       |                         |                         |
| Cash and Cash Equivalents                           | 1,658,841.58            | 17,142.65               |
| Accounts Receivable-Interest                        | -                       | 8,059.89                |
| Investments   | -                       | 1,283,152.56            |
| General Account:                                    |                         |                         |
| Cash and Cash Equivalents                           | 12,052,595.48           | 8,603,361.07            |
| Construction Account:                               |                         |                         |
| Cash and Cash Equivalents                           | <u>1,211,221.86</u>     | <u>2,099,576.93</u>     |
| <u>TOTAL UNRESTRICTED ASSETS</u>                    | <u>\$ 32,632,210.25</u> | <u>\$ 27,784,459.56</u> |
| Long Term Capital Assets                            | \$ 134,713,462.49       | \$ 133,072,777.07       |

|   |                      |                      |
|---|----------------------|----------------------|
| Less: Accumulated Depreciation & Amortization | <u>84,673,972.72</u> | <u>79,981,550.79</u> |
|   | <u>50,039,489.77</u> | <u>53,091,226.28</u> |

Other Assets:

|                          |                        |                        |
|--------------------------|------------------------|------------------------|
| Construction in Progress | \$ <u>8,636,242.28</u> | \$ <u>5,822,008.57</u> |
|--------------------------|------------------------|------------------------|

Deferred Outflow of Resources:

|                               |                     |                     |
|-------------------------------|---------------------|---------------------|
| Pension Related               | \$ 1,515,573.00     | \$ 1,988,075.00     |
| Other Post Employment Related | <u>1,054,369.19</u> | <u>1,174,657.53</u> |

TOTAL ASSETS & DEFERRED

|                             |                          |                         |
|-----------------------------|--------------------------|-------------------------|
| <u>OUTFLOW OF RESOURCES</u> | \$ <u>101,382,818.53</u> | \$ <u>96,933,175.92</u> |
|-----------------------------|--------------------------|-------------------------|

2019

2018

LIABILITIES AND NET POSITION

Current Liabilities Payable:

|  |                     |                     |
|--|---------------------|---------------------|
| Accounts Payable and Accrued Expenses      | \$ 1,308,919.26     | \$ 1,123,491.20     |
| Other Liabilities Payable                  | 485,563.27          | 474,982.56          |
| Interest Payable                           | 140,963.88          | 113,196.27          |
| Current Portion of Intergovernmental Loans | <u>1,589,873.90</u> | <u>1,217,426.68</u> |

|                                   |                        |                        |
|-----------------------------------|------------------------|------------------------|
| TOTAL CURRENT LIABILITIES PAYABLE | \$ <u>3,525,320.31</u> | \$ <u>2,929,096.71</u> |
|-----------------------------------|------------------------|------------------------|

|  |                  |                  |
|--|------------------|------------------|
| Long - Term Portion of Intergovernmental Loans | \$ 20,070,095.81 | \$ 10,446,911.83 |
|--|------------------|------------------|

|  |              |               |
|--|--------------|---------------|
| Long - Term Interim Construction Loans | 1,613,048.00 | 10,641,150.00 |
|--|--------------|---------------|

|                       |              |              |
|-----------------------|--------------|--------------|
| Net Pension Liability | 8,602,328.00 | 9,051,007.00 |
|-----------------------|--------------|--------------|

|                                     |                     |                      |
|-------------------------------------|---------------------|----------------------|
| Net Other Post Employment Liability | <u>7,994,485.00</u> | <u>10,135,519.00</u> |
|-------------------------------------|---------------------|----------------------|

|                          |                         |                         |
|--------------------------|-------------------------|-------------------------|
| <u>TOTAL LIABILITIES</u> | \$ <u>41,805,277.12</u> | \$ <u>43,203,684.54</u> |
|--------------------------|-------------------------|-------------------------|

Deferred Inflow of Resources:

|   |    |                     |    |                     |
|---|----|---------------------|----|---------------------|
| Pension Related                           | \$ | 3,523,334.00        | \$ | 3,579,203.00        |
| Other Post Employment Charges             |    | <u>7,191,795.00</u> |    | <u>5,691,155.00</u> |
| <u>TOTAL DEFERRED INFLOW OF RESOURCES</u> | \$ | 10,715,129.00       | \$ | 9,270,358.00        |

NET POSITION

|   |    |                       |    |                        |
|---|----|-----------------------|----|------------------------|
| Net Investment in Capital Assets<br>Restricted: | \$ | 33,581,124.49         | \$ | 38,429,336.19          |
| Connection Capital                              |    | 7,254,934.04          |    | 6,822,748.98           |
| Unrestricted:                                   |    |                       |    |                        |
| Debt Service Reserve                            |    | 1,658,841.58          |    | 1,301,142.65           |
| Rate Stabilization                              |    | 4,499,090.75          |    | 4,304,266.25           |
| Reserve for Future Capital Project              |    | 5,205,801.00          |    | 4,200,000.00           |
| Unrestricted                                    |    | <u>(3,337,379.45)</u> |    | <u>(10,598,360.69)</u> |
| <u>TOTAL NET POSITION</u>                       | \$ | <u>48,862,412.41</u>  | \$ | <u>44,459,133.38</u>   |

TOTAL LIABILITIES, DEFERRED INFLOW

|                                      |    |                       |    |                      |
|--------------------------------------|----|-----------------------|----|----------------------|
| <u>OF RESOURCES AND NET POSITION</u> | \$ | <u>101,382,818.53</u> | \$ | <u>96,933,175.92</u> |
|--------------------------------------|----|-----------------------|----|----------------------|

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

|                                    |    | <u>2019</u>          |    | <u>2018</u>          |
|------------------------------------|----|----------------------|----|----------------------|
| Operating Revenues:                |    |                      |    |                      |
| Service Charges-Participants       | \$ | 18,038,888.63        | \$ | 19,589,976.00        |
| Septage and Sludge Dumping Charges |    | 590,470.00           |    | 654,154.00           |
| Connection Fees                    |    | 1,235,316.00         |    | 1,694,691.00         |
| Other Operating Revenues           |    | <u>251,397.52</u>    |    | <u>214,681.84</u>    |
| TOTAL OPERATING REVENUES           | \$ | <u>20,116,072.15</u> | \$ | <u>22,153,502.84</u> |

Operating Expenses Exclusive of

|  |                         |                         |
|--|-------------------------|-------------------------|
| Interest and Depreciation & Amortization | \$ <u>11,300,491.49</u> | \$ <u>11,201,107.99</u> |
|--|-------------------------|-------------------------|

Operating Income Before Interest

|                                 |                        |                         |
|---------------------------------|------------------------|-------------------------|
| and Depreciation & Amortization | \$ <u>8,815,580.66</u> | \$ <u>10,952,394.85</u> |
|---------------------------------|------------------------|-------------------------|

Depreciation & Amortization Expense

|  |                        |                     |
|--|------------------------|---------------------|
|  | \$ <u>4,698,024.43</u> | <u>4,220,191.10</u> |
|--|------------------------|---------------------|

OPERATING INCOME

|  |                     |                     |
|--|---------------------|---------------------|
|  | <u>4,117,556.23</u> | <u>6,732,203.75</u> |
|--|---------------------|---------------------|

Non-Operating Revenue (Expense):

|                                |               |               |
|--------------------------------|---------------|---------------|
| Interest Earned on Investments | \$ 783,017.41 | \$ 438,885.82 |
|--------------------------------|---------------|---------------|

|                                 |              |              |
|---------------------------------|--------------|--------------|
| Interest Expense - Debt Service | (252,166.15) | (213,939.56) |
|---------------------------------|--------------|--------------|

|                         |                     |                   |
|-------------------------|---------------------|-------------------|
| Other Income (Expenses) | <u>(245,128.46)</u> | <u>787,482.86</u> |
|-------------------------|---------------------|-------------------|

TOTAL NON-OPERATING REVENUE (EXPENSE)

|  |                      |                        |
|--|----------------------|------------------------|
|  | \$ <u>285,722.80</u> | \$ <u>1,012,429.12</u> |
|--|----------------------|------------------------|

Change in Net Position

|  |                 |                 |
|--|-----------------|-----------------|
|  | \$ 4,403,279.03 | \$ 7,744,632.87 |
|--|-----------------|-----------------|

NET POSITION, BEGINNING OF YEAR

|  |                         |                         |
|--|-------------------------|-------------------------|
|  | \$ <u>44,459,133.38</u> | \$ <u>36,714,500.51</u> |
|--|-------------------------|-------------------------|

NET POSITION, END OF YEAR

|  |                                |                                |
|--|--------------------------------|--------------------------------|
|  | \$ <u><u>48,862,412.41</u></u> | \$ <u><u>44,459,133.38</u></u> |
|--|--------------------------------|--------------------------------|

**FINDINGS AND RECOMMENDATIONS**

**NONE**

The above summary or synopsis was prepared from the audited financial statements of The Somerset Raritan Valley Sewerage Authority, County of Somerset, for the fiscal years ended

December 31, 2019 and 2018. The audited financial statements, are on the website <http://srvsa.org/> and may be inspected by any interested person.

**Ronald Anastasio, Executive Director**

