

**WEYMOUTH TOWNSHIP MUNICIPAL
UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)**

REPORT OF AUDIT

FOR THE YEARS ENDED

DECEMBER 31, 2013 AND 2012

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)

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Independent Auditor's Report

The Chairman and Members of the
Weymouth Township Municipal Utilities Authority
(A component unit of the Township of Weymouth)
County of Atlantic, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Weymouth Township Municipal Utilities Authority (A component unit of the Township of Weymouth) in the County of Atlantic, State of New Jersey, as of and for the year ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing and opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Weymouth Township Municipal Utilities Authority (A component unit of the Township of Weymouth) in the County of Atlantic, State of New Jersey, as of December 31, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Weymouth Township Municipal Utilities Authority's (A component unit of the Township of Weymouth) basic financial statements. The supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules listed in the table of contents are the responsibility of management and was derived from and relates directly to the underlying accounting

and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the supplemental schedules listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2014 on our consideration of the Weymouth Township Municipal Utilities Authority's (A component unit of the Township of Weymouth) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Weymouth Township Municipal Utilities Authority's (A component unit of the Township of Weymouth) internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C
CERTIFIED PUBLIC ACCOUNTANTS

August 21, 2014

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REQUIRED SUPPLEMENTARY INFORMATION

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Weymouth Township Municipal Utilities Authority (a component unit of the Township of Weymouth) annual financial report presents management's analysis of the Authority's financial condition and activities for the year. This information should be read in conjunction with the financial statements.

Financial Highlights

Management believes the Authority's financial condition is strong. The Authority is well within the more stringent financial policies and guidelines set by the Board. The following are key financial highlights:

- Total assets at year-end were \$1,019,653 and exceeded liabilities in the amount of \$461,427 (i.e. net position). Of the \$83,627 classified as unrestricted, the total amount was available to support short-term operations. Total assets decreased approximately \$65,000. Total Net Position increased approximately \$102,000.
- Operating revenues were \$151,305. This represents an increase of approximately \$1,200 compared to 2012.
- Operating expense increased approximately \$8,500 over amounts charged in 2012 due to increase in water and sewer treatment costs.
- The operating deficit for the year was \$14,500. Net position at the beginning of the year was \$359,405 and was \$461,427 at the end of 2013. Net position increased by \$102,022 due to receipt of USDA Grant Revenue.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplemental information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Authority's capital plan, budget bond resolutions and other management tools were used for this analysis.

The financial statements report information about the Authority using full accrual accounting methods as utilized by similar business activities in the private sector. However, rate-regulated accounting principles applicable to private sector utilities are not used by government utilities. The financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; a statement of cash flows; and notes to the financial statements.

The **statement of net position** presents the financial position of the Authority on a full accrual historical cost basis. The statement of net position presents information on all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position are one indicator of whether the financial position of the Authority is improving or deteriorating.

While the statement of net position provides information about the nature and amount of resources and obligations at year-end, the **statement of revenues, expenses, and changes in net position** presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the Authority's recovery of its costs.

The **statement of cash flows** presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash

disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The **notes to the financial statements** provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Supplementary information comparing the budget to actual expenses, as well as important debt coverage data, is provided.

Summary of the Organization and Business

The Authority was created to construct and operate a wastewater system and to provide potable water to the Belcoville section of the Township of Weymouth, New Jersey. The Authority is a component unit of the Township of Weymouth.

As a public body, under existing statute, the Authority is exempt from both federal and state taxes.

The Authority has no taxing power. Operational and maintenance costs are funded from customer fees and charges. The acquisition and construction of capital assets are funded mainly by Federal and State grants and loans and customer revenues.

Financial Analysis

The following condensed financial statements and other selected information serve as the key financial data and indicators for management, monitoring and planning. Comments regarding budget-to-actual variances and year-to-year variances are included in each section by the name of the statement or account.

Condensed Financial Statements

The following is a summary of the Authority's Net Position as of December 31, 2013, 2012 and 2011:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
ASSETS			
Capital Assets:			
Producing Assets	\$ 849,644	532,191	527,956
Current Assets	170,009	552,236	200,067
Total Assets	<u>1,019,653</u>	<u>1,084,427</u>	<u>728,023</u>
LIABILITIES			
Current Liabilities	50,560	452,101	56,877
Long Term Liabilities	507,666	272,921	294,304
Total Liabilities	<u>558,226</u>	<u>725,022</u>	<u>351,181</u>
NET POSITION			
Invested in capital assets, net of related debt	315,549	237,079	211,453
Designated for future maintenance	62,251	62,251	62,251
Unrestricted	83,627	60,075	103,138
Total Net Position	<u>\$ 461,427</u>	<u>359,405</u>	<u>376,842</u>

The following is the summary of the changes in Net Position for the years ended December 31, 2013, 2012 and 2011:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues:			
Water and Sewer Rental	\$ 151,305	150,027	143,649
Total Operating Revenue	<u>151,305</u>	<u>150,027</u>	<u>143,649</u>
Expenses:			
Cost of Providing Service	101,809	93,064	101,881
General and Administrative	36,637	36,576	34,714
Depreciation	27,345	27,597	27,597
Total Operating Expenses	<u>165,791</u>	<u>157,237</u>	<u>164,192</u>
Operating (Loss)	(14,486)	(7,210)	(20,543)
Non-operating revenue/(expense) net	<u>116,508</u>	<u>(10,227)</u>	<u>(11,766)</u>
Increase/(Decrease) In Net Position	<u>\$ 102,022</u>	<u>(17,437)</u>	<u>\$ (32,309)</u>

General Trends and Significant Events

During the fiscal year ended December 31, 2013 the Authority maintained both residential and commercial customer accounts.

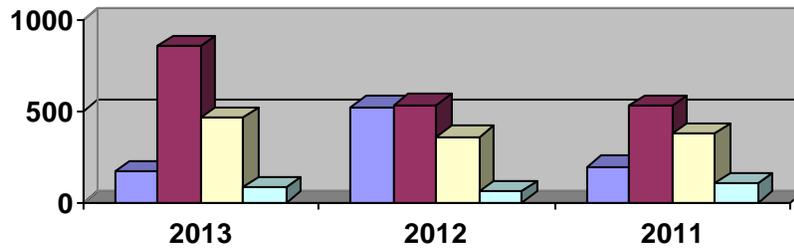
The Authority continues to maintain and improve the lines each year. The Authority is currently working to replace a significant portion of the water and sewer system. The rate structure is reviewed annually to ensure revenues are sufficient to meet the costs of maintaining the system.

Financial Condition

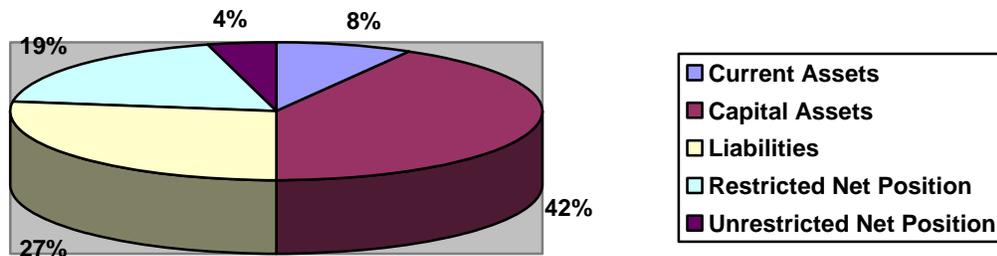
The Authority's financial condition remained strong at year-end with adequate liquid assets, reliable systems to meet demand and a reasonable level of unrestricted net position. The current financial condition and operating and expansion plans to meet anticipated customer needs are well balanced and under control. The following charts summarize the statement of net position at December 31, 2013, 2012 and 2011.

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Assets and Net Position in thousands



FY 2013 Balance Sheet



Total assets remained consistent with the prior year with a fluctuation between current and capital assets. This is primarily related to the completion and payment of the Force Main Project.

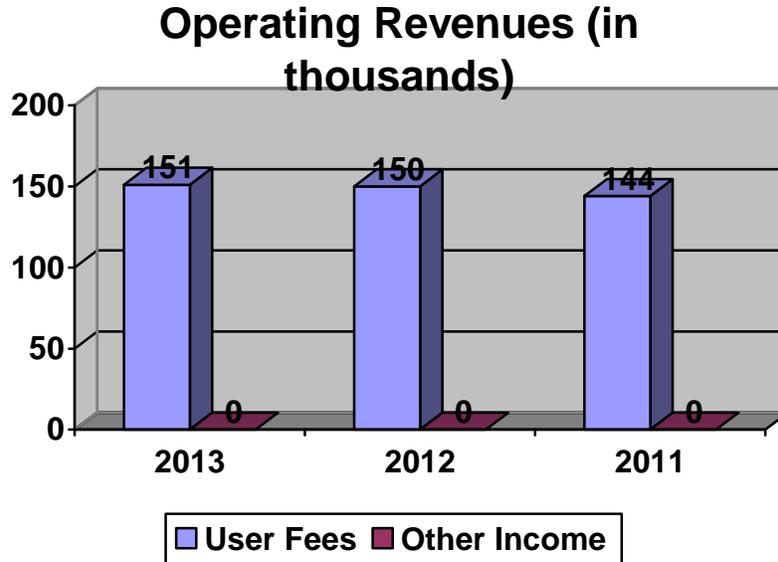
Unrestricted net position and restricted net position increased approximately \$102,000 as a result of receiving a USDA grant in the amount of \$136,173.

Accounts receivable remained relatively consistent with the prior year. This is the result of the MUA's oversight in ensuring that customer accounts are paid in a timely manner throughout the year.

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Results of Operations

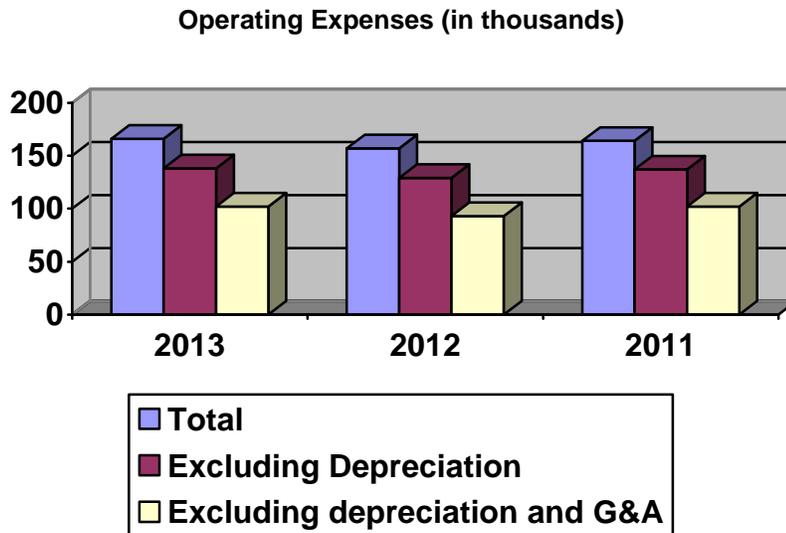
Operating Revenues: Revenues from operations fall into two general categories: rental fees and other. The following chart depicts revenues for the current and preceding years.



The rental fees increased approximately \$6,000 due to increase in rates. The Authority recognized \$0, \$0, and \$0 in connection fee revenues during 2013, 2012, and 2011, respectively. Connection fees are reported as a component of non-operating income.

Expenses: Operating expense remained consistent in 2013 as compared to 2012.

Operating expenses, including and excluding depreciation, for 2013, 2012 and 2011 are graphed below:



The following table presents the composition of operating expenses by major classification of expense for 2013, 2012 and 2011:

	2013		2012		2011	
Salaries & Fringe	\$ 6,080	3.67%	11,302	7.19%	15,536	9.46%
Engineer	8,686	5.24%	5,100	3.24%	-	0.00%
Professional Services	6,000	3.62%	5,560	3.54%	6,000	3.65%
Utilities	4,210	2.54%	3,500	2.23%	3,744	2.28%
Water Service Costs	24,680	14.89%	25,212	16.03%	23,130	14.09%
Sewer Treatment Costs	77,129	46.52%	67,852	43.15%	78,753	47.96%
Other	11,661	7.03%	11,114	7.07%	9,432	5.74%
Depreciation	27,345	16.49%	27,597	17.55%	27,597	16.81%
Total	<u>\$ 165,791</u>	<u>100.00%</u>	<u>157,237</u>	<u>100.00%</u>	<u>164,192</u>	<u>100.00%</u>

Cash Flow Activity

The following table shows the Authority's ability to generate net operating cash. Net cash provided by operating activities is shown both in total dollars and as a percentage of operating revenues.

	2013	2012	2011
Total operating revenues	\$ 150,625	148,759	143,649
Net cash provided by operations	7,564	13,126	15,027
Net operating cash as a % of operating revenue	5.02%	8.82%	10.46%

Capital Assets and Debt Administration

Capital assets, net of depreciation, increased approximately \$398,000 during 2013. This is due to the net of current year depreciation expense and completion of the Force Main Project.

The Authority continued to pay off outstanding debt throughout 2013. As of the date of this report, all scheduled debt payments were made for 2013, 2012 and 2011. Refer to Note 3 for the detail of the Authority's outstanding debt.

Contacting the Authority's Management

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability. If you have any questions about this report or need additional financial information, contact the Chairman of the Weymouth Township Municipal Utilities Authority (A component unit of the Township of Weymouth), PO Box 252, Mays Landing, NJ 08330.

FINANCIAL SECTION

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WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)
STATEMENT OF NET POSITION
as of December 31,

	2013	2012
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 167,799	550,706
Accounts Receivable	2,210	1,530
Total Current Assets	170,009	552,236
Capital Assets:		
Construction in Progress	-	80,042
Capital Assets, net of depreciation	849,644	452,149
Total Property, Plant and Equipment	849,644	532,191
 TOTAL ASSETS	 \$ 1,019,653	 1,084,427

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)
STATEMENT OF NET POSITION
as of December 31,

	2013	2012
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Bond Anticipation Notes Payable	\$ -	400,000
Current Portion of Long Term Debt	26,429	22,191
Accrued Interest	3,790	4,954
Due to Hamilton Township Municipal Utilities Authority	20,012	24,628
Payroll Taxes & Pension Payable	329	328
Total Current Liabilities	50,560	452,101
Long Term Liabilities:		
Note Payable - long term portion	173,000	189,000
Bonds Payable - long term portion	334,666	83,921
Total Long Term Liabilities	507,666	272,921
TOTAL LIABILITIES	558,226	725,022
Net Position:		
Investment in capital assets, net of related debt	315,549	237,079
Designated:		
Operations and Maintenance	40,176	40,176
Renewal and Replacement	22,075	22,075
Unrestricted	83,627	60,075
TOTAL NET POSITION	461,427	359,405
TOTAL LIABILITIES AND NET POSITION	\$ 1,019,653	1,084,427

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31,

	<u>2013</u>	<u>2012</u>
Operating Revenues:		
Water and Sewer Rental	\$ 151,305	150,027
	<u>151,305</u>	<u>150,027</u>
Total Operating Revenues		
	<u>151,305</u>	<u>150,027</u>
Operating Expenses:		
Administrative and General	36,637	36,576
Cost of Providing Services	101,809	93,064
Depreciation	27,345	27,597
	<u>165,791</u>	<u>157,237</u>
Total Operating Expenses		
	<u>165,791</u>	<u>157,237</u>
Operating (Loss)	<u>(14,486)</u>	<u>(7,210)</u>
Nonoperating Revenue (Expense):		
USDA Grant Revenue	136,173	-
Interest Income	502	3,970
Interest Expense	<u>(20,167)</u>	<u>(14,197)</u>
	<u>116,508</u>	<u>(10,227)</u>
Total Non-Operating Revenue/(Expense)		
	<u>116,508</u>	<u>(10,227)</u>
Increase/(Decrease) in Net Position	102,022	(17,437)
Net Position at beginning of year	<u>359,405</u>	<u>376,842</u>
Net Position at end of year	<u>\$ 461,427</u>	<u>359,405</u>

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 150,625	148,759
Cash paid to suppliers and employees	(143,061)	(135,633)
	<u>7,564</u>	<u>13,126</u>
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities:		
Additions to Capital Assets	(344,798)	(31,832)
Interest earned on investments	502	3,970
	<u>(344,296)</u>	<u>(27,862)</u>
Net Cash (Used) by Investing Activities		
Cash Flows from Capital and Related Financing Activities:		
Issuance/(Payment) of Bond Anticipation Notes	(400,000)	400,000
Issuance of bonds	263,000	-
Capital Grant	136,173	-
Principal payment on bonds and notes	(24,017)	(21,391)
Interest paid on bonds and notes	(21,331)	(12,972)
	<u>(46,175)</u>	<u>365,637</u>
Net Cash Provided/(Used) for Capital and Related Financing Activities		
Increase/(Decrease) in cash and cash equivalents	(382,907)	350,901
Cash and cash equivalents at beginning of year	<u>550,706</u>	<u>199,805</u>
Cash and cash equivalents at end of year	\$ <u>167,799</u>	<u>550,706</u>
<u>Reconciliation to the Balance Sheet</u>		
Unrestricted Cash	\$ <u>167,799</u>	<u>550,706</u>
	<u>\$ 167,799</u>	<u>550,706</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating Loss	\$ (14,486)	(7,210)
Adjustments:		
Depreciation	27,345	27,597
Change in Assets and Liabilities:		
(Increase) in Accounts Receivable	(680)	(1,268)
Increase/(Decrease) in Accounts Payable	(4,616)	(5,739)
(Decrease) in Accrued Payroll Taxes	1	(254)
	<u>7,564</u>	<u>13,126</u>
Net cash provided by operating activities	\$ <u>7,564</u>	<u>13,126</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
A COMPONENT UNIT OF THE TOWNSHIP OF WEYMOUTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

Note 1: Organization

The Weymouth Township Municipal Utilities Authority was created to construct and operate a potable water and wastewater collection and treatment system to serve the municipality of Weymouth Township. The Hamilton Township Municipal Utilities Authority bills and collects the revenue from users of the system on behalf of the Weymouth Township Municipal Utilities Authority. The Authority is a component unit of the Township of Weymouth.

As a public body, under existing statute, the Authority is exempt from both federal and state taxes.

Note 2: Summary of Significant Accounting Policies

The Authority's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Authority applies all Governmental Accounting Standard Board (GASB) pronouncements currently in effect.

Reporting Entity

The Authority's financial statements include the accounts of all authority operations. The Authority, as a component unit of the Township of Weymouth, is financially accountable to the Township. The primary criterion for including activities within the Authority's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is a fiscal dependency by the organization on the Authority

Based on the aforementioned criteria, the Authority has no component units.

The Authority, as a component unit, issues separate financial statements from the Township.

Basis of Financial Statements

The Authority has adopted GASB No. 60 through through 66, and related interpretations issued through December 31, 2013. GASB required certain other changes in terminology, format and content, as well as inclusion of the management's discussion and analysis supplementary information.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
A COMPONENT UNIT OF THE TOWNSHIP OF WEYMOUTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net Position (i.e. total assets net of total liabilities) are segregated into "invested in capital assets, net of related liabilities" and "unrestricted" components.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

Budgets and Budgetary Accounting

An annual operating budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures in accordance with NJSA 40A:5A. The budget is then submitted and approved by State of New Jersey Division of Local Government Services. The operating budget adopted annually covers the general fund activity only. The current operating budget details the Authority's plans to earn and expend funds for charges incurred for the operation, maintenance, certain interest and general functions, and other charges for the fiscal year.

Risks of Loss

The Authority purchases commercial insurance policies on an annual basis to handle risks of loss associated with property, auto, liability, workers compensation, flood damage, and employee crime coverage. Any potential liability of the Authority with respect to loss claims would be equal to the deductibles associated with the policies and an event, which may exceed policy coverage limits.

Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For the purpose of determining cash equivalents the Authority considers all investments with an original maturity of three months or less as cash equivalents

The Authority has by board resolution established a capital budget account. The Authority presently has the following accounts:

- Revenue – Serves as a depository for all monies collected
- General – Serves as an expenditure account, necessary amounts are transferred from the Revenue account
- Operating Reserve – As designated by the Authority for needed purposes

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
A COMPONENT UNIT OF THE TOWNSHIP OF WEYMOUTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

Plant and Equipment

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Plant and equipment in service and construction in progress are recorded at cost, if purchased or constructed and is depreciated.

Maintenance and repairs, which do not significantly extend the value of life of plant and equipment, are expensed as incurred.

Depreciation is determined on a straight-line basis for all plant and equipment. Depreciation is provided over the following estimated useful life:

Water systems	40 years
Water/Sewer Lines	40 years
Pump Stations	40 years

Inventories of Supplies

The cost of inventories of supplies are recorded as expenditures at the time the individual items are purchased.

Revenues and Rate Structure

Revenues from services are recognized on the accrual basis as earned. Services are supplied to customers under a rate structure designed to produce revenues sufficient to provide for operating and maintenance costs, capital outlay, reserves and debt service coverage.

Net Position

Net position comprises the various net earnings from operating and non-operating revenues and expenses. Net position is classified in the following components: invested in capital assets, net of related liabilities; restricted for future maintenance and replacement; and unrestricted net position. Invested in capital assets, net of related debt, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net position for future maintenance and replacement consists of net position for which constraints are placed by self-imposed legal mandates. Unrestricted net position consists of all other net position not included in the above categories.

Long-term Obligations

Long-term debt is recognized as a liability of the Authority. A current liability is recorded for principal due within twelve months of the balance sheet date.

Recent Accounting Pronouncements Not Yet Effective

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the entity's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
A COMPONENT UNIT OF THE TOWNSHIP OF WEYMOUTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

statement, which is effective for fiscal periods beginning after June 15, 2014, will have an effect on the entity's financial reporting and net position.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the entity's financial statements.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014, will have an effect on the entity's financial statements and net position.

Note 3: Long Term Debt

	<u>Dec. 31, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Dec. 31, 2013</u>	Amounts Due within <u>One year</u>
1973 Issue	\$ 808	-	(808)	-	-
1983 Issue	90,304	-	(6,383)	83,921	6,702
2008 issue	204,000	-	(15,000)	189,000	16,000
2013 Issue	<u> </u>	<u>263,000</u>	<u>(1,826)</u>	<u>261,174</u>	<u>3,727</u>
Total	<u>\$ 295,112</u>	<u>263,000</u>	<u>(24,017)</u>	<u>534,095</u>	<u>26,429</u>

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WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
A COMPONENT UNIT OF THE TOWNSHIP OF WEYMOUTH
NOTES TO FINANCIAL STATEMENTS
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Revenue Bonds Payable

The Authority is obligated to the United States Department of Agriculture – Rural Development for two outstanding loans. The 1983 issue of \$183,800 is payable in annual installments with interest at 5% per annum and matures in August 2023 - the balance remaining as of December 31, 2013 was \$83,921. The 2013 issue of \$263,000 is payable in semi-annual installments with interest at 2.75% per annum and matures June 2053 – the balance remaining as of December 31, 2013 was \$261,174. Payments made by the Authority differ from time to time from the amortization schedule established when the bonds were issued.

Principal and interest requirements until maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	10,429	11,353	21,782
2015	10,867	10,915	21,782
2016	11,325	10,457	21,782
2017	11,803	9,979	21,782
2018	12,303	9,479	21,782
2019-23	69,467	39,067	108,534
2024-28	25,883	28,537	54,420
2029-33	29,671	24,749	54,420
2034-38	34,012	20,408	54,420
2039-43	38,989	15,431	54,420
2044-48	44,693	9,727	54,420
2049-53	45,653	3,187	48,840
	<u>\$ 345,095</u>	<u>193,289</u>	<u>538,384</u>

Note Payable

The Authority is obligated to Sun National Bank for a promissory note issued March 15, 2008. The note is payable in annual installments with interest ranging from 3% to 5% per annum. The note matures in September 2023 - the balance remaining as of December 31, 2013 was \$189,000.

Principal and interest requirements until maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	16,000	8,578	24,578
2015	16,000	7,938	23,938
2016	17,000	7,258	24,258
2017	18,000	6,535	24,535
2018	18,000	5,770	23,770
2019-23	104,000	15,705	119,705
	<u>\$ 189,000</u>	<u>51,784</u>	<u>240,784</u>

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
A COMPONENT UNIT OF THE TOWNSHIP OF WEYMOUTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

Note 4: Pension Plan

Description of Plans

Substantially all of the Authority's employees are covered by the Public Employees' Retirement System cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the report can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The current PERS rate is 10.7% of covered payroll. The Authority's contributions to PERS for the years ending December 31, 2013, 2012 and 2011 were \$1,124, \$1,696 and \$1,613 respectively, equal to the required contributions for each year.

Note 5: Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The Authority maintains commercial insurance coverage for property and liability. There has been no significant decrease in insurance coverage and there have been no claims in excess of the coverage.

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WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
A COMPONENT UNIT OF THE TOWNSHIP OF WEYMOUTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

Note 6: Cash and Cash Equivalents and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the authority in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2013 and 2012, \$0 of the Authority's respective bank balances of \$170,105 and \$550,706 were exposed to custodial credit risk.

Note 7: Fixed Assets

A summary of changes in fixed assets for the year ended December 31, 2013 is as follows:

	<u>Balance January 1</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance December 31</u>
Construction In Progress	\$ 80,042		(80,042)	-
Water System & Improvements	908,807	424,840	-	1,333,647
	<u>988,849</u>	<u>424,840</u>	<u>(80,042)</u>	<u>1,333,647</u>
Accumulated Depreciation	<u>(456,658)</u>	<u>(27,345)</u>	<u>-</u>	<u>(484,003)</u>
Net Fixed Assets	<u>\$ 532,191</u>	<u>397,495</u>	<u>(80,042)</u>	<u>849,644</u>

Note 8: Net Position Appropriated

Of the \$83,627 unreserved net position balance at December 31, 2013, \$32,581 has been appropriated and also included as anticipated revenue for the budgetary year ending December 31, 2014; and the unreserved and undesignated fund balance is \$51,046.

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WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
A COMPONENT UNIT OF THE TOWNSHIP OF WEYMOUTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

Note 9: Net Position

Net assets present the difference between assets and liabilities. The net asset amounts were as follows:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Invested in capital assets, net of related liabilities		
Net plant and equipment in service	\$ 849,644	532,191
Deductions:		
Debt	(534,095)	(295,112)
	<u>315,549</u>	<u>237,079</u>
Restricted for future operations and maintenance		
Renewal and Replacement	22,075	22,075
Restricted cash and equivalents	<u>40,176</u>	<u>40,176</u>
Unrestricted	<u>83,627</u>	<u>60,075</u>
Total net assets	<u>\$ 461,427</u>	<u>359,405</u>

Note 10: Subsequent Events

The Authority has evaluated subsequent events through August 21, 2014, the date which the financial statements were available to be issued and no subsequent events were noted for disclosure.

SUPPLEMENTARY INFORMATION

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Independent Auditor's Report

The Chairman and Members of the
Weymouth Township Municipal Utilities Authority
(A component unit of the Township of Weymouth)
County of Atlantic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Weymouth Township Municipal Utilities Authority (A component unit of the Township of Weymouth) in the County of Atlantic, State of New Jersey, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively Weymouth Township Municipal Utilities Authority's (A component unit of the Township of Weymouth) basic financial statements, and have issued our report thereon dated August 21, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the authority's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *schedule of findings and responses*, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We

consider the deficiency described in the accompanying *schedule of findings and responses* to be a material weakness: 2013-1

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Authority's Responses to Findings

The authority's response to the findings identified in our audit are described in the accompanying *schedule of findings and responses*. The authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 21, 2014

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)
SCHEDULE OF FINDINGS AND RESPONSES

2013-1.

Criteria

The Authority must prepare complete and accurate financial statements and related disclosures which comply with the requirements of Generally Accepted Accounting Principles (GAAP).

Condition

The Authority does not have staff members who are sufficiently versed on financial reporting to prepare financial statements in accordance with GAAP.

Cause

The Authority does not have the financial resources to employ staff with the knowledge required to prepare financial statements in accordance with GAAP.

Effect

Those charged with governance are unable to monitor the financial condition of the Authority.

Recommendation

The Authority should continually work to improve on their financial reporting capabilities as is deemed reasonable after considering budgetary constraints.

Management Response

While the Authority understands the need to prepare financial statements in accordance with GAAP, it is currently beyond the Authority's financial resources to employ an individual with such capabilities.

STATUS OF PRIOR YEAR AUDIT FINDINGS

12-1.

Finding

The Authority does not have staff members who are sufficiently versed on financial reporting to prepare financial statements in accordance with GAAP.

Current Status

This finding was not cleared and is included as 2013 finding 13-1.

Management Response

While the Authority understands the need to prepare financial statements in accordance with GAAP, it is currently beyond the Authority's financial resources to employ an individual with such capabilities.

12-2

Finding

Debt service payments are required to be paid in accordance with the approved amortization schedule.

Current Status

The finding was cleared in 2013

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)
SCHEDULE OF REVENUES AND APPROPRIATIONS COMPARED TO WATER BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 Budget	Final Budget	2013 Actual	Variance Over/(Under) Budget to Actual
Revenues				
Water Rental	43,300	43,300	38,390	(4,910)
Interest Income			251	251
	<u>43,300</u>	<u>43,300</u>	<u>38,641</u>	<u>(4,659)</u>
Total Revenues	<u>43,300</u>	<u>43,300</u>	<u>38,641</u>	<u>(4,659)</u>
Operating Expenses:				
Administrative and General				
Salaries and Wages	7,000	7,000	3,040	3,960
Audit	3,000	3,000	3,000	-
Office Supplies and Expenses	156	156	156	-
Fringe Benefits	750	750	850	(100)
Other Insurance	2,819	2,819	2,819	-
Miscellaneous	6,265	6,265	6,689	(424)
Total General and Administrative	<u>19,990</u>	<u>19,990</u>	<u>16,554</u>	<u>3,436</u>
Cost of Providing Services				
Purchase of Water	26,700	26,700	24,680	2,020
	<u>26,700</u>	<u>26,700</u>	<u>24,680</u>	<u>2,020</u>
Total Costs of Providing Services	46,690	46,690	41,234	5,456
Deduct: Unreserved Net Position Utilized	<u>(3,390)</u>	<u>(3,390)</u>		
Excess/(Deficit) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(2,593)</u>	<u>(10,115)</u>

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)
SCHEDULE OF REVENUES AND APPROPRIATIONS COMPARED TO SEWER BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 Budget	Final Budget	2013 Actual	Variance Over/(Under) Budget to Actual
Revenues				
Sewer Rental	112,880	112,880	112,915	35
USDA Grant			136,173	136,173
Interest Income			251	251
	<u>112,880</u>	<u>112,880</u>	<u>249,339</u>	<u>136,459</u>
Total Revenues	<u>112,880</u>	<u>112,880</u>	<u>249,339</u>	<u>136,459</u>
Operating Expenses:				
Administrative and General				
Salaries and Wages	7,000	7,000	3,040	3,960
Audit	3,000	3,000	3,000	-
Office Supplies and Expenses	156	156	156	-
Fringe Benefits	750	750	850	(100)
Other Insurance	2,819	2,819	2,819	-
Miscellaneous	6,265	6,265	10,218	(3,953)
	<u>19,990</u>	<u>19,990</u>	<u>20,083</u>	<u>(93)</u>
Total General and Administrative	<u>19,990</u>	<u>19,990</u>	<u>20,083</u>	<u>(93)</u>
Cost of Providing Services				
Sewer Treatment Costs	76,500	76,500	77,129	(629)
	<u>76,500</u>	<u>76,500</u>	<u>77,129</u>	<u>(629)</u>
Interest Expense	13,693	13,693	20,167	(6,474)
Principal	27,426	27,426	24,017	3,409
Total Costs Funded by Operating Revenue	<u>137,609</u>	<u>137,609</u>	<u>141,396</u>	<u>(3,787)</u>
Deduct: Unreserved Net Position Utilized	<u>(24,729)</u>	<u>(24,729)</u>	<u>-</u>	<u>-</u>
Excess/(Deficit) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>107,943</u>	<u>132,672</u>

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

**RECONCILIATION OF BUDGETARY EXCESS OF REVENUE TO THE STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN NET POSITION**

Excess/(Deficit) of Revenues Over Expenditures - Water Budget	\$ (2,593)
Excess/(Deficit) of Revenues Over Expenditures - Sewer Budget	<u>107,943</u>
Subtotal	105,350
Add: Principal Payments included in Budgetary Expenses	24,017
Deduct: Depreciation Expense	<u>(27,345)</u>
Change in Net Position	<u>\$ 102,022</u>

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)
SCHEDULE OF BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31,

DESCRIPTION	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST RATE	2012	ISSUED	PAID	2013
1973 Issue	1973	42,000	5%	\$ 808		808	-
1983 Issue	1983	183,800	5%	90,304		6,383	83,921
2013 Issue	2013	263,000	2.75%		263,000	1,826	261,174
				\$ 91,112	263,000	9,017	345,095

Schedule of Bond Maturities

YEAR	1983 Issue Amount	2013 Issue Amount
2014	6,702	3,727
2015	7,037	3,830
2016	7,389	3,936
2017	7,758	4,045
2018	8,146	4,157
2019	8,554	4,273
2020	8,981	4,391
2021	9,430	4,512
2022	9,902	4,637
2023	10,022	4,766
2024		4,898
2025		5,033
2026		5,173
2027		5,316
2028		5,463
2029		5,614
2030		5,770
2031		5,930
2032		6,094
2033		6,263
2034		6,436
2035		6,614
2036		6,797
2037		6,986
2038		7,179
2039		7,378
2040		7,582
2041		7,792
2042		8,008
2043		8,229
2044		8,457
2045		8,691
2046		8,932
2047		9,179
2048		9,434
2049		9,695
2050		9,963
2051		10,239
2052		10,523
2053		5,232
Balance of unpaid principal at 12/31/13	<u>83,921</u>	<u>261,174</u>

**WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
 (A component unit of the Township of Weymouth)
 SCHEDULE OF NOTES PAYABLE
 FOR THE YEAR ENDED DECEMBER 31,**

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>2012</u>	<u>Issued</u>	<u>Paid</u>	<u>2013</u>
2008 Note	2008	250,000	<u>204,000</u>	<u>-</u>	<u>15,000</u>	<u>189,000</u>
			<u>204,000</u>	<u>-</u>	<u>15,000</u>	<u>189,000</u>

Schedule of Note Maturity

<u>YEAR</u>	<u>Interest Rate</u>	<u>2008 Issue Amount</u>
2014	4.00%	16,000
2015	4.25%	16,000
2016	4.25%	17,000
2017	4.25%	18,000
2018	4.25%	18,000
2019	4.50%	19,000
2020	4.50%	20,000
2021	5.00%	21,000
2022	5.00%	22,000
2023	5.00%	22,000

Balance of unpaid principal at 12/31/13 189,000

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)
SCHEDULE OF FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31,

	<u>2013</u>	<u>2012</u>
Fixed Assets		
Construction in Progress	\$ -	80,042
Pump Station	1,046,530	621,690
Water System	250,000	250,000
Water and Sewer System	32,207	32,207
Fencing	4,910	4,910
Total Fixed Assets	<u>1,333,647</u>	<u>988,849</u>
Accumulated Depreciation	<u>484,003</u>	<u>456,658</u>
Total Fixed Assets, net of Accumulated Depreciation	<u><u>\$ 849,644</u></u>	<u><u>532,191</u></u>

WEYMOUTH TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A component unit of the Township of Weymouth)
SCHEDULE OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Net Position - January 1, 2013	\$ 270,924	88,481	359,405
Budgetary Excess/(Deficit) of Revenue over Expenditures	(2,593)	107,943	105,350
Adjustment for:			
2013 Depreciation Expense	(6,250)	(21,095)	(27,345)
2013 Debt Payment - Principal	<u>-</u>	<u>24,017</u>	<u>24,017</u>
Net Position - December 31, 2013	<u>\$ 262,081</u>	<u>199,346</u>	<u>461,427</u>
Analysis of Net Position:			
Invested in Fixed Assets, Net of Related Debt	\$ -	315,549	315,549
Restricted for:			
Operations and Maintenance	40,176	-	40,176
Renewals and Replacements	22,075	-	22,075
Unrestricted	<u>199,830</u>	<u>(116,203)</u>	<u>83,627</u>
Net Position - December 31, 2013	<u>\$ 262,081</u>	<u>199,346</u>	<u>461,427</u>