

2015

Willingboro Municipal Utilities
Authority

Authority Budget

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Department Of



**Community
Affairs**

Division of Local Government Services

2015 AUTHORITY BUDGET

Certification Section

2015

**WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
AUTHORITY BUDGET**

FISCAL YEAR: FROM JANUARY 1, 2015 TO DECEMBER 31, 2015

For Division Use Only

CERTIFICATION OF APPROVED BUDGET

It is hereby certified that the approved Budget made a part hereof complies with the requirements of law and the rules and regulations of the Local Finance Board, and approval is given pursuant to N.J.S.A. 40A:5A-11.

*State of New Jersey
Department of Community Affairs
Director of the Division of Local Government Services*

By: _____ Date: _____

CERTIFICATION OF ADOPTED BUDGET

It is hereby certified that the adopted Budget made a part hereof has been compared with the approved Budget previously certified by the Division, and any amendments made thereto. This adopted Budget is certified with respect to such amendments and comparisons only.

*State of New Jersey
Department of Community Affairs
Director of the Division of Local Government Services*

By: _____ Date: _____

2015 PREPARER'S CERTIFICATION

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

AUTHORITY BUDGET

FISCAL YEAR: FROM: January 1, 2015 TO: December 31, 2015

It is hereby certified that the Authority Budget, including both the Annual Budget and the Capital Budget/Program annexed hereto, represents the members of the governing body's resolve with respect to statute in that: all estimates of revenue are reasonable, accurate and correctly stated; all items of appropriation are properly set forth; and in itemization, form and content, the budget will permit the exercise of the comptroller function within the Authority.

It is further certified that all proposed budgeted amounts and totals are correct. Also, I hereby provide reasonable assurance that all assertions contained herein are accurate and all required schedules are completed and attached.

Preparer's Signature:			
Name:	Andrew Weber		
Title:	Interim Executive Director		
Address:	433 John F. Kennedy Way Willingboro NJ 08046-2119		
Phone Number:	609-877-2900	Fax Number:	609-835-4645
E-mail address	andrew@wmua.info		

2015 APPROVAL CERTIFICATION

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY AUTHORITY BUDGET

FISCAL YEAR: **FROM:** January 1, 2015 **TO:** December 31, 2015

It is hereby certified that the Authority Budget, including all schedules appended hereto, are a true copy of the Annual Budget and Capital Budget/Program approved by resolution by the governing body of the Willingboro Municipal Utilities Authority, at an open public meeting held pursuant to N.J.A.C. 5:31-2.3, on the 15th day of October 2014

It is further certified that the recorded vote appearing in the resolution represents not less than a majority of the full membership of the governing body thereof.

Preparer's Signature:			
Name:	Andrew Weber		
Title:	Interim Executive Director		
Address:	433 John F. Kennedy Way Willingboro NJ 08046-2119		
Phone Number:	609-877-2900	Fax Number:	609-835-4645
E-mail address	andrew@wmua.info		

INTERNET WEBSITE CERTIFICATION

Authority's Web Address:	www.wmua.info
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All authorities shall maintain either an Internet website or a webpage on the municipality's or county's Internet website. The purpose of the website or webpage shall be to provide increased public access to the authority's operations and activities. N.J.S.A. 40A:5A-17.1 requires the following items to be included on the Authority's website at a minimum for public disclosure. Check the boxes below to certify the Authority's compliance with N.J.S.A. 40A:5A-17.1.

- ✓ A description of the Authority's mission and responsibilities
- ✓ Commencing with 2013, the budgets for the current fiscal year and immediately preceding two prior years
- ✓ The most recent Comprehensive Annual Financial Report (Unaudited) or similar financial information
- ✓ Commencing with 2012, the annual audits of the most recent fiscal year and immediately two prior years
- ✓ The Authority's rules, regulations and official policy statements deemed relevant by the governing body of the authority to the interests of the residents within the authority's service area or jurisdiction
- ✓ Notice posted pursuant to the "Open Public Meetings Act" for each meeting of the Authority, setting forth the time, date, location and agenda of each meeting
- ✓ Beginning January 1, 2013, the approved minutes of each meeting of the Authority including all resolutions of the board and their committees; for at least three consecutive fiscal years
- ✓ The name, mailing address, electronic mail address and phone number of every person who exercises day-to-day supervision or management over some or all of the operations of the Authority
- ✓ A list of attorneys, advisors, consultants and any other person, firm, business, partnership, corporation or other organization which received any remuneration of \$17,500 or more during the preceding fiscal year for any service whatsoever rendered to the Authority.

It is hereby certified by the below authorized representative of the Authority that the Authority's website or webpage as identified above complies with the minimum statutory requirements of N.J.S.A. 40A:5A-17.1 as listed above. A check in each of the above boxes signifies compliance.

Name of Officer Certifying compliance

Andrew Weber

Title of Officer Certifying compliance

Interim Executive Director

Signature

2015 AUTHORITY BUDGET RESOLUTION

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

FISCAL YEAR: FROM: January 1, 2015 TO: December 31, 2015

WHEREAS, the Annual Budget and Capital Budget for the Willingboro Municipal Utilities Authority for the fiscal year beginning, January 1, 2015 and ending, December 31, 2015 has been presented before the governing body of the Willingboro Municipal Utilities Authority at its open public meeting of October 15, 2014; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$10,525,354, Total Appropriations, including any Accumulated Deficit if any, of \$10,825,354 and Total Unrestricted Net Position utilized of \$300,000; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$8,324,000 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$0; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Willingboro Municipal Utilities Authority, at an open public meeting held on October 15, 2014 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Willingboro Municipal Utilities Authority for the fiscal year beginning, January 1, 2015 and ending, December 31, 2015 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Willingboro Municipal Utilities Authority will consider the Annual Budget and Capital Budget/Program for adoption on November 12, 2014.

(Secretary's Signature)

(Date)

Governing Body Member:	Aye	Recorded Vote		Absent
		Nay	Abstain	
Christopher P. Walker				

Dennis W Reiter

Eddie Campbell, Jr

Jacqueline Jennings

T Wayne Scott

2015 ADOPTION CERTIFICATION

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

AUTHORITY BUDGET

FISCAL YEAR: **FROM:** January 1, 2015 **TO:** December 31, 2015

It is hereby certified that the Authority Budget and Capital Budget/Program annexed hereto is a true copy of the Budget adopted by the governing body of the Willingboro Municipal Utilities Authority, pursuant to N.J.A.C. 5:31-2.3, on the 12th day of November, 2014.

Preparer's Signature:			
Name:	Andrew Weber		
Title:	Interim Executive Director		
Address:	433 John F. Kennedy Way Willingboro NJ 08046-2119		
Phone Number:	609-877-2900	Fax Number:	609-835-4645
E-mail address	andrew@wmua.info		

2015 ADOPTED BUDGET RESOLUTION

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

AUTHORITY

FISCAL YEAR: FROM: January 1, 2015 **TO:** December 31, 2015

WHEREAS, the Annual Budget and Capital Budget/Program for the Willingboro Municipal Utilities Authority for the fiscal year beginning January 1, 2015 and ending, December 31, 2015 has been presented for adoption before the governing body of the Willingboro Municipal Utilities Authority at its open public meeting of November 12, 2014; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$10,525,354, Total Appropriations, including any Accumulated Deficit if any, of \$10,825,354 and Total Unrestricted Net Position utilized of \$300,000; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$8,324,000 and Total Unrestricted Net Position planned to be utilized of \$0; and

NOW, THEREFORE BE IT RESOLVED, by the governing body of Willingboro Municipal Utilities Authority, at an open public meeting held on November 12, 2014 that the Annual Budget and Capital Budget/Program of the Willingboro Municipal Utilities Authority for the fiscal year beginning, January 1, 2015 and, ending, December 31, 2015 is hereby adopted and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

(Secretary's Signature)

(Date)

Governing Body
Member:

Aye

Recorded Vote
Nay

Abstain

Absent

Christopher P. Walker

Dennis W Reiter

Eddie Campbell, Jr

Jacqueline Jennings

T Wayne Scott

2015 AUTHORITY BUDGET

Financial Schedules Section

2015 Budget Summary

Willingboro Municipal Utilities Authority

For the Period January 1, 2015 to December 31, 2015

	<i>Proposed Budget</i>						<i>Current Year Adopted Budget</i>	<i>\$ Increase (Decrease) Proposed vs. Current Year</i>	<i>% Increase (Decrease) Proposed vs. Current Year</i>	
	Water	Sewer	Operation #3	Operation #4	Operation #5	Operation #6	Total All Operations	Total All Operations	All Operations	All Operations
REVENUES										
Total Operating Revenues	\$ 5,703,250	\$ 4,822,104	\$ -	\$ -	\$ -	\$ -	\$ 10,525,354	\$ 10,386,250	\$ 139,104	1.3%
Total Non-Operating Revenues	-	-	-	-	-	-	-	29,000	(29,000)	-100.0%
Total Anticipated Revenues	<u>5,703,250</u>	<u>4,822,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,525,354</u>	<u>10,415,250</u>	<u>110,104</u>	<u>1.1%</u>
APPROPRIATIONS										
Total Administration	770,436	770,436	-	-	-	-	1,540,872	1,450,500	90,372	6.2%
Total Cost of Providing Services	2,815,459	2,595,435	-	-	-	-	5,410,893	5,211,936	198,957	3.8%
Total Principal Payments on Debt Service in Lieu of Depreciation	610,168	661,628	-	-	-	-	1,271,796	1,354,642	(82,846)	-6.1%
Total Operating Appropriations	4,196,063	4,027,499	-	-	-	-	8,223,561	8,017,078	206,483	2.6%
Total Interest Payments on Debt	235,323	178,833	-	-	-	-	414,156	536,201	(122,045)	-22.8%
Total Other Non-Operating Appropriations	1,371,864	815,772	-	-	-	-	2,187,636	2,061,971	125,665	6.1%
Total Non-Operating Appropriations	<u>1,607,187</u>	<u>994,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,601,792</u>	<u>2,598,172</u>	<u>3,620</u>	<u>0.1%</u>
Accumulated Deficit	-	-	-	-	-	-	-	-	-	#DIV/0!
Total Appropriations and Accumulated Deficit	5,803,250	5,022,104	-	-	-	-	10,825,354	10,615,250	210,104	2.0%
Less: Total Unrestricted Net Position Utilized	100,000	200,000	-	-	-	-	300,000	200,000	100,000	50.0%
Net Total Appropriations	<u>5,703,250</u>	<u>4,822,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,525,354</u>	<u>10,415,250</u>	<u>110,104</u>	<u>1.1%</u>
ANTICIPATED SURPLUS (DEFICIT)	<u>\$ 0</u>	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>#DIV/0!</u>

2015 Revenue Schedule

Willingboro Municipal Utilities Authority

For the Period January 1, 2015 to December 31, 2015

	Proposed Budget						Current Year Adopted Budget	\$ Increase (Decrease) Proposed vs. Current Year	% Increase (Decrease) Proposed vs. Current Year	
	Water	Sewer	Operation #3	Operation #4	Operation #5	Operation #6	Total All Operations	Total All Operations	All Operations All Operations	
							Total All Operations	All Operations	All Operations	
OPERATING REVENUES										
<i>Service Charges</i>										
Residential	\$ 3,667,250	\$ 3,550,000					\$ 7,217,250	\$ 7,220,000	\$ (2,750)	0.0%
Business/Commercial	608,000	367,000					975,000	841,000	134,000	15.9%
Industrial							-	-	-	#DIV/0!
Intergovernmental	1,000,000	750,000					1,750,000	1,725,000	25,000	1.4%
Other							-	-	-	#DIV/0!
Total Service Charges	5,275,250	4,667,000					9,942,250	9,786,000	156,250	1.6%
<i>Connection Fees</i>										
Residential							-	-	-	#DIV/0!
Business/Commercial							-	-	-	#DIV/0!
Industrial							-	-	-	#DIV/0!
Intergovernmental							-	-	-	#DIV/0!
Other							-	-	-	#DIV/0!
Total Connection Fees							-	-	-	#DIV/0!
<i>Parking Fees</i>										
Meters							-	-	-	#DIV/0!
Permits							-	-	-	#DIV/0!
Fines/Penalties							-	-	-	#DIV/0!
Other							-	-	-	#DIV/0!
Total Parking Fees							-	-	-	#DIV/0!
<i>Other Operating Revenues (List)</i>										
Hydrants & Fire Service	92,000	-					92,000	92,000	-	0.0%
Elevated Take Rentals	220,000	-					220,000	220,000	-	0.0%
TurnOff/On Fees	50,000	50,000					100,000	113,000	(13,000)	-11.5%
Other Misc Revenue	66,000	105,104					171,104	175,250	(4,146)	-2.4%
Total Other Revenue	428,000	155,104					583,104	600,250	(17,146)	-2.9%
Total Operating Revenues	5,703,250	4,822,104					10,525,354	10,386,250	139,104	1.3%
NON-OPERATING REVENUES										
<i>Grants & Entitlements (List)</i>										
Grant #1							-	-	-	#DIV/0!
Grant #2							-	-	-	#DIV/0!
Grant #3							-	-	-	#DIV/0!
Grant #4							-	-	-	#DIV/0!
Total Grants & Entitlements							-	-	-	#DIV/0!
<i>Local Subsidies & Donations (List)</i>										
Local Subsidy #1							-	-	-	#DIV/0!
Local Subsidy #2							-	-	-	#DIV/0!
Local Subsidy #3							-	-	-	#DIV/0!
Local Subsidy #4							-	-	-	#DIV/0!
Total Local Subsidies & Donations							-	-	-	#DIV/0!
<i>Interest on Investments & Deposits</i>										
Investments							-	29,000	(29,000)	-100.0%
Security Deposits							-	-	-	#DIV/0!
Penalties							-	-	-	#DIV/0!
Other Investments							-	-	-	#DIV/0!
Total Interest							-	29,000	(29,000)	-100.0%
<i>Other Non-Operating Revenues (List)</i>										
Other Non-Operating #1							-	-	-	#DIV/0!
Other Non-Operating #2							-	-	-	#DIV/0!
Other Non-Operating #3							-	-	-	#DIV/0!
Other Non-Operating #4							-	-	-	#DIV/0!
Other Non-Operating Revenues							-	-	-	#DIV/0!
Total Non-Operating Revenues							-	29,000	(29,000)	-100.0%
TOTAL ANTICIPATED REVENUES	\$ 5,703,250	\$ 4,822,104	\$ -	\$ -	\$ -	\$ -	\$ 10,525,354	\$ 10,415,250	\$ 110,104	1.1%

2014 Revenue Schedule

Willingboro Municipal Utilities Authority

For the Period January 1, 2015 to December 31, 2015

	<i>Current Year Adopted Budget</i>						Total All Operations
	Water	Sewer	Operation #3	Operation #4	Operation #5	Operation #6	
OPERATING REVENUES							
<i>Service Charges</i>							
Residential	\$ 3,665,000	\$ 3,555,000					\$ 7,220,000
Business/Commercial	550,000	291,000					841,000
Industrial							-
Intergovernmental	1,000,000	725,000					1,725,000
Other							-
Total Service Charges	5,215,000	4,571,000	-	-	-	-	9,786,000
<i>Connection Fees</i>							
Residential							-
Business/Commercial							-
Industrial							-
Intergovernmental							-
Other							-
Total Connection Fees	-	-	-	-	-	-	-
<i>Parking Fees</i>							
Meters							-
Permits							-
Fines/Penalties							-
Other							-
Total Parking Fees	-	-	-	-	-	-	-
<i>Other Operating Revenues (List)</i>							
Hydrants & Fire Service	92,000						92,000
Elevated Take Rentals	220,000						220,000
TurnOff/On Fees	65,500	47,500					113,000
Other Misc Revenue	85,250	90,000					175,250
Total Other Revenue	462,750	137,500	-	-	-	-	600,250
Total Operating Revenues	5,677,750	4,708,500	-	-	-	-	10,386,250
NON-OPERATING REVENUES							
<i>Grants & Entitlements (List)</i>							
Grant #1							-
Grant #2							-
Grant #3							-
Grant #4							-
Total Grants & Entitlements	-	-	-	-	-	-	-
<i>Local Subsidies & Donations (List)</i>							
Local Subsidy #1							-
Local Subsidy #2							-
Local Subsidy #3							-
Local Subsidy #4							-
Total Local Subsidies & Donations	-	-	-	-	-	-	-
<i>Interest on Investments & Deposits</i>							
Investments	14,500	14,500					29,000
Security Deposits							-
Penalties							-
Other Investments							-
Total Interest	14,500	14,500	-	-	-	-	29,000
<i>Other Non-Operating Revenues (List)</i>							
Other Non-Operating #1							-
Other Non-Operating #2							-
Other Non-Operating #3							-
Other Non-Operating #4							-
Other Non-Operating Revenues	-	-	-	-	-	-	-
Total Non-Operating Revenues	14,500	14,500	-	-	-	-	29,000
TOTAL ANTICIPATED REVENUES	\$ 5,692,250	\$ 4,723,000	\$ -	\$ -	\$ -	\$ -	\$ 10,415,250

2015 Appropriations Schedule

Willingboro Municipal Utilities Authority
For the Period January 1, 2015 to December 31, 2015

	Proposed Budget						Current Year Adopted Budget	\$ Increase (Decrease) Proposed vs. Current Year	% Increase (Decrease) Proposed vs. Current Year	
	Water	Sewer	Operation #3	Operation #4	Operation #5	Operation #6	Total All Operations	Total All Operations	All Operations	
							Total All Operations	All Operations	All Operations	
OPERATING APPROPRIATIONS										
<i>Administration - Personnel</i>										
Salary & Wages	\$ 313,311	\$ 313,311					\$ 626,622	\$ 625,000	\$ 1,622	0.3%
Fringe Benefits	197,375	197,375					394,750	386,500	8,250	2.1%
Total Administration - Personnel	510,686	510,686	-	-	-	-	1,021,372	1,011,500	9,872	1.0%
<i>Administration - Other (List)</i>										
Other Admin Expense #1	259,750	259,750					519,500	439,000	80,500	18.3%
Other Admin Expense #2							-	-	-	#DIV/0!
Other Admin Expense #3							-	-	-	#DIV/0!
Other Admin Expense #4							-	-	-	#DIV/0!
Miscellaneous Administration*							-	-	-	#DIV/0!
Total Administration - Other	259,750	259,750	-	-	-	-	519,500	439,000	80,500	18.3%
Total Administration	770,436	770,436	-	-	-	-	1,540,872	1,450,500	90,372	6.2%
<i>Cost of Providing Services - Personnel</i>										
Salary & Wages	1,104,897	968,222					2,073,118	1,890,000	183,118	9.7%
Fringe Benefits	590,812	556,463					1,147,275	1,110,736	36,539	3.3%
Total COPS - Personnel	1,695,709	1,524,685	-	-	-	-	3,220,393	3,000,736	219,657	7.3%
<i>Cost of Providing Services - Other (List)</i>										
Other COPS Expense #1	1,119,750	1,070,750					2,190,500	2,211,200	(20,700)	-0.9%
Other COPS Expense #2							-	-	-	#DIV/0!
Other COPS Expense #3							-	-	-	#DIV/0!
Other COPS Expense #4							-	-	-	#DIV/0!
Miscellaneous COPS*							-	-	-	#DIV/0!
Total COPS - Other	1,119,750	1,070,750	-	-	-	-	2,190,500	2,211,200	(20,700)	-0.9%
Total Cost of Providing Services	2,815,459	2,595,435	-	-	-	-	5,410,893	5,211,936	198,957	3.8%
Total Principal Payments on Debt Service in Lieu of Depreciation	610,168	661,628	-	-	-	-	1,271,796	1,354,642	(82,846)	-6.1%
Total Operating Appropriations	4,196,063	4,027,499	-	-	-	-	8,223,561	8,017,078	206,483	2.6%
NON-OPERATING APPROPRIATIONS										
Total Interest Payments on Debt	235,323	178,833	-	-	-	-	414,156	536,201	(122,045)	-22.8%
Operations & Maintenance Reserve							-	-	-	#DIV/0!
Renewal & Replacement Reserve	1,271,864	615,772					1,887,636	1,562,000	325,636	20.8%
Municipality/County Appropriation	100,000	200,000					300,000	200,000	100,000	50.0%
Other Reserves							-	299,971	(299,971)	-100.0%
Total Non-Operating Appropriations	1,607,187	994,605	-	-	-	-	2,601,792	2,598,172	3,620	0.1%
TOTAL APPROPRIATIONS	5,803,250	5,022,104	-	-	-	-	10,825,354	10,615,250	210,104	2.0%
ACCUMULATED DEFICIT										
TOTAL APPROPRIATIONS & ACCUMULATED DEFICIT	5,803,250	5,022,104	-	-	-	-	10,825,354	10,615,250	210,104	2.0%
UNRESTRICTED NET POSITION UTILIZED										
Municipality/County Appropriation	100,000	200,000	-	-	-	-	300,000	200,000	100,000	50.0%
Other							-	-	-	#DIV/0!
Total Unrestricted Net Position Utilized	100,000	200,000	-	-	-	-	300,000	200,000	100,000	50.0%
TOTAL NET APPROPRIATIONS	\$ 5,703,250	\$ 4,822,104	\$ -	\$ -	\$ -	\$ -	\$ 10,525,354	\$ 10,415,250	\$ 110,104	1.1%

* Miscellaneous line items may not exceed 5% of total operating appropriations shown below. If amount in miscellaneous is greater than the amount shown below, then the line item must be itemized above.

5% of Total Operating Appropriations \$ 209,803.13 \$ 201,374.95 \$ - \$ - \$ - \$ - \$ 411,178.07

\$ 0 \$ (0)

2014 Appropriations Schedule

Willingboro Municipal Utilities Authority

For the Period January 1, 2015 to December 31, 2015

	<i>Current Year Adopted Budget</i>						Total All Operations
	Water	Sewer	Operation #3	Operation #4	Operation #5	Operation #6	
OPERATING APPROPRIATIONS							
<i>Administration - Personnel</i>							
Salary & Wages	\$ 312,500	\$ 312,500					\$ 625,000
Fringe Benefits	193,250	193,250					386,500
Total Administration - Personnel	505,750	505,750	-	-	-	-	1,011,500
<i>Administration - Other (List)</i>							
Other Admin Expense #1	219,500	219,500					439,000
Other Admin Expense #2							-
Other Admin Expense #3							-
Other Admin Expense #4							-
Miscellaneous Administration*							-
Total Administration - Other	219,500	219,500	-	-	-	-	439,000
Total Administration	725,250	725,250	-	-	-	-	1,450,500
<i>Cost of Providing Services - Personnel</i>							
Salary & Wages	1,129,000	761,000					1,890,000
Fringe Benefits	649,400	461,336					1,110,736
Total COPS - Personnel	1,778,400	1,222,336	-	-	-	-	3,000,736
<i>Cost of Providing Services - Other (List)</i>							
Other COPS Expense #1	1,221,000	990,200					2,211,200
Other COPS Expense #2							-
Other COPS Expense #3							-
Other COPS Expense #4							-
Miscellaneous COPS*							-
Total COPS - Other	1,221,000	990,200	-	-	-	-	2,211,200
Total Cost of Providing Services	2,999,400	2,212,536	-	-	-	-	5,211,936
Total Principal Payments on Debt Service in Lieu of Depreciation	659,181	695,461	-	-	-	-	1,354,642
Total Operating Appropriations	4,383,831	3,633,247	-	-	-	-	8,017,078
NON-OPERATING APPROPRIATIONS							
Total Interest Payments on Debt	288,448	247,753	-	-	-	-	536,201
Operations & Maintenance Reserve							-
Renewal & Replacement Reserve	750,000	812,000					1,562,000
Municipality/County Appropriation	100,000	100,000					200,000
Other Reserves	269,971	30,000					299,971
Total Non-Operating Appropriations	1,408,419	1,189,753	-	-	-	-	2,598,172
TOTAL APPROPRIATIONS	5,792,250	4,823,000	-	-	-	-	10,615,250
ACCUMULATED DEFICIT							-
TOTAL APPROPRIATIONS & ACCUMULATED DEFICIT	5,792,250	4,823,000	-	-	-	-	10,615,250
UNRESTRICTED NET POSITION UTILIZED							
Municipality/County Appropriation	100,000	100,000	-	-	-	-	200,000
Other							-
Total Unrestricted Net Position Utilized	100,000	100,000	-	-	-	-	200,000
TOTAL NET APPROPRIATIONS	\$ 5,692,250	\$ 4,723,000	\$ -	\$ -	\$ -	\$ -	\$ 10,415,250

* Miscellaneous line items may not exceed 5% of total operating appropriations shown below. If amount in miscellaneous is greater than the amount shown below, then the line item must be itemized above.

5% of Total Operating Appropriations \$ 219,191.55 \$ 181,662.35 \$ - \$ - \$ - \$ - \$ 400,853.90

\$ - \$ -

5 Year Debt Service Schedule - Principal

Willingboro Municipal Utilities Authority

	<i>Fiscal Year Beginning in</i>								Total Principal Outstanding
	Current Year (2014)	2015	2016	2017	2018	2019	2020	Thereafter	
<i>Water</i>									
See Attached	\$ 659,181	\$ 610,168	\$ 634,018	\$ 1,005,943	\$ 1,212,768	\$ 1,257,768	\$ 1,307,768	\$ 1,182,340	\$ 7,210,773
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Principal	659,181	610,168	634,018	1,005,943	1,212,768	1,257,768	1,307,768	1,182,340	7,210,773
<i>Sewer</i>									
See Attached	695,461	661,628	678,005	691,155	544,255	553,945	576,247	5,492,593	9,197,829
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Principal	695,461	661,628	678,005	691,155	544,255	553,945	576,247	5,492,593	9,197,829
<i>Operation #3</i>									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Principal	-	-	-	-	-	-	-	-	-
<i>Operation #4</i>									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Principal	-	-	-	-	-	-	-	-	-
<i>Operation #5</i>									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Principal	-	-	-	-	-	-	-	-	-
<i>Operation #6</i>									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Principal	-	-	-	-	-	-	-	-	-
TOTAL PRINCIPAL ALL OPEF	\$ 1,354,642	\$ 1,271,796	\$ 1,312,023	\$ 1,697,098	\$ 1,757,023	\$ 1,811,713	\$ 1,884,015	\$ 6,674,933	\$ 16,408,602

Indicate the Authority's most recent bond rating and the year of the rating by ratings service.

	Moody's	Fitch	Standard & Poors
Bond Rating	None	None	None
Year of Last Rating	None	None	None

Willingboro Municipal Utilities Authority

Water Sewer Series I		Water Sewer Series J A		Water Sewer Series J B		Water Sewer 2008 NJEIT Trust		Water Sewer 2010 NJEIT CW		Water Sewer 2010 NJEIT DW	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
285,000	28,804.38	370,000.00	122,168.75	215,000	27,368.750						
	23,959.38		115,231.25		23,337.500	31,050	51,425	31,314.50	35,125	11,060.17	12,400
						167,373	51,425	127,629.00	35,125	47,120.35	12,400
295,000	23,959.38	385,000.00	115,231.25	220,000	23,337.500						
	18,612.50		108,012.50		19,212.500	29,767	49,300	31,314.50	22,800	11,060.17	6,875
						174,109	49,300	132,629.00	22,800	47,120.35	6,875
310,000	18,612.50	390,000.00	108,012.50	230,000	19,212.500						
			100,700.00		14,900.000	28,409	47,050	31,314.50	21,050	11,060.17	6,250
						172,750	47,050	137,629.00	21,050	47,120.35	6,250
		405,000.00	100,700.00	240,000	14,900.000	27,050	44,800	31,314.50	19,175	11,060.17	5,625
			92,600.00		10,100.000	179,411	44,800	137,629.00	19,175	47,120.35	5,625
		425,000.00	92,600.00	250,000	10,100.000	25,616	42,425	31,314.50	17,300	11,060.17	5,000
			84,100.00		5,100.000	185,996	42,425	142,629.00	17,300	52,120.35	5,000
		790,000.00	84,100.00	255,000	5,100.000	24,107	39,925	31,314.50	15,300	11,060.17	4,250
			68,300.00			192,505	39,925	147,629.00	15,300	52,120.35	4,250
	1,095,000.00		68,300.00			22,522	37,300	31,314.50	13,175	11,060.17	3,500
			46,400.00			198,939	37,300	152,629.00	13,175	52,120.35	3,500
	1,140,000.00		46,400.00			20,778	34,413	31,314.50	11,375	11,060.17	2,900
			23,600.00			213,234	34,413	157,629.00	11,375	57,120.35	2,900
	1,180,000.00		23,600.00			18,786	31,113	31,314.50	9,000	11,060.17	2,025
						219,260	31,113	162,629.00	9,000	57,120.35	2,025
						16,710	27,675	31,314.50	7,500	11,060.17	1,500
						225,204	27,675	162,629.00	7,500	57,120.35	1,500
						14,551	24,100	31,314.50	5,500	11,060.17	800
						239,083	24,100	167,629.00	5,500	57,120.35	800
						12,227	20,250	31,314.50	3,400	11,060.17	100
						244,777	20,250	172,629.00	3,400	27,120.35	100
						10,038	16,625	31,314.50	1,200		
						258,626	16,625	122,629.00	1,200	33,180.52	
						7,698	12,750	31,314.50			
						264,306	12,750	62,629.00		33,180.52	
						5,283	8,750	31,314.50			
						277,929	8,750	62,629.00		33,180.52	
						2,717	4,500	31,314.50			
						291,401	4,500	62,629.00		33,180.52	
								31,314.50			
								62,629.00		33,180.81	
890,000.00	113,948.13	6,180,000.00	1,400,056.25	1,410,000.00	172,668.75	3,802,209.78	984,800.00	2,707,039.50	363,800.00	899,069.13	102,450.00

Debt Service Schedule

Water Sewer 2014 NJEIT CW		Water Sewer 2014 NJEIT CW		Water Sewer 2014 NJEIT DW		Water Sewer 2014 NJEIT DW	
100%		100%		100%		100%	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	8,002	80,189.76			2,979	29,725.01	
	14,403	40,094.88			5,363	14,862.50	
25,000.00	14,403	80,189.76		10,000.00	5,363	29,725.01	
	14,028	40,094.88			5,213	14,862.50	
30,000.00	14,028	80,189.76		10,000.00	5,213	29,725.01	
	13,578	40,094.88			5,063	14,862.50	
30,000.00	13,578	80,189.76		10,000.00	5,063	29,725.01	
	12,828	40,094.88			4,813	14,862.50	
30,000.00	12,828	80,189.76		10,000.00	4,813	29,725.01	
	12,078	40,094.88			4,563	14,862.50	
30,000.00	12,078	80,189.76		10,000.00	4,563	29,725.01	
	11,328	40,094.88			4,313	14,862.50	
35,000.00	11,328	80,189.76		15,000.00	4,313	29,725.01	
	10,453	40,094.88			3,938	14,862.50	
35,000.00	10,453	80,189.76		15,000.00	3,938	29,725.01	
	9,578	40,094.88			3,563	14,862.50	
35,000.00	9,578	80,189.76		15,000.00	3,563	29,725.01	
	8,703	40,094.88			3,188	14,862.50	
40,000.00	8,703	80,189.76		15,000.00	3,188	29,725.01	
	7,703	40,094.88			2,813	14,862.50	
40,000.00	7,703	80,189.76		15,000.00	2,813	29,725.01	
	6,703	40,094.88			2,438	14,862.50	
45,000.00	6,703	80,189.76		15,000.00	2,438	29,725.01	
	6,028	40,094.88			2,213	14,862.50	
45,000.00	6,028	80,189.76		15,000.00	2,213	29,725.01	
	5,353	40,094.88			1,979	14,862.50	
45,000.00	5,353	80,189.76		15,000.00	1,979	29,725.01	
	4,678	40,094.88			1,763	14,862.50	
45,000.00	4,678	80,189.76		15,000.00	1,763	29,725.01	
	4,003	40,094.88			1,538	14,862.50	
50,000.00	4,003	80,189.76		20,000.00	1,538	29,725.01	
	3,253	40,094.88			1,238	14,862.50	
50,000.00	3,253	80,189.76		20,000.00	1,238	29,725.01	
	2,503	40,094.88			938	14,862.50	
50,000.00	2,503	80,189.76		20,000.00	938	29,725.01	
	1,753	40,094.88			638	14,862.50	
55,000.00	1,753	80,189.76		20,000.00	638	29,725.01	
	894	40,094.88			325	14,862.50	
55,000.00	894	80,189.84		20,000.00	325	29,725.31	
770,000.00	307,701.92	2,365,598.00	-	285,000.00	114,761.17	876,888.00	-

5 Year Debt Service Schedule - Interest

Willingboro Municipal Utilities Authority

	Fiscal Year Beginning in								Total Interest Payments Outstanding
	Current Year (2014)	2015	2016	2017	2018	2019	2020	Thereafter	
<i>Water</i>									
See Attached	\$ 288,448	\$ 235,323	\$ 213,877	\$ 191,252	\$ 153,725	\$ 108,075	\$ 60,375	\$ 56,020	\$ 1,018,647
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Interest Payments	288,448	235,323	213,877	191,252	153,725	108,075	60,375	56,020	1,018,647
<i>Sewer</i>									
See Attached	247,753	178,833	163,729	147,629	130,606	119,669	107,681	437,372	1,285,520
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Interest Payments	247,753	178,833	163,729	147,629	130,606	119,669	107,681	437,372	1,285,520
<i>Operation #3</i>									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Interest Payments	-	-	-	-	-	-	-	-	-
<i>Operation #4</i>									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Interest Payments	-	-	-	-	-	-	-	-	-
<i>Operation #5</i>									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Interest Payments	-	-	-	-	-	-	-	-	-
<i>Operation #6</i>									
Debt Issuance #1									-
Debt Issuance #2									-
Debt Issuance #3									-
Debt Issuance #4									-
Total Interest Payments	-	-	-	-	-	-	-	-	-
TOTAL INTEREST ALL OPERATIONS	\$ 536,201	\$ 414,156	\$ 377,606	\$ 338,881	\$ 284,331	\$ 227,744	\$ 168,056	\$ 493,391	\$ 2,304,167

2015 Net Position Reconciliation

Willingboro Municipal Utilities Authority

For the Period January 1, 2015 to December 31, 2015

	<i>Proposed Budget</i>						Total All Operations
	Water	Sewer	Operation #3	Operation #4	Operation #5	Operation #6	
TOTAL NET POSITION BEGINNING OF CURRENT YEAR (1)	\$ 16,438,787	\$ 14,748,179					\$ 31,186,966
Less: Net Investment in Capital Assets (1)	13,550,668	6,843,713					20,394,381
Less: Restricted for Debt Service Reserve (1)	3,116,790	2,727,265					5,844,055
Less: Other Restricted Net Position (1)	94,540	94,540					189,081
Total Unrestricted Net Position (1)	(323,211)	5,082,661	-	-	-	-	4,759,450
Less: Designated for Non-Operating Improvements & Repairs							-
Less: Designated for Rate Stabilization							-
Less: Other Designated by Resolution							-
Plus: Accrued Unfunded Pension Liability (1)							-
Plus: Accrued Unfunded Other Post-Employment Benefit Liability (1)	144,682	144,682					289,364
Plus: Estimated Income (Loss) on Current Year Operations (2)	300,000						300,000
Plus: Other Adjustments (attach schedule)							-
UNRESTRICTED NET POSITION AVAILABLE FOR USE IN PROPOSED BUDGET	121,471	5,227,343	-	-	-	-	5,348,814
Unrestricted Net Position Utilized to Balance Proposed Budget	-	-	-	-	-	-	-
Unrestricted Net Position Utilized in Proposed Capital Budget	-	-	-	-	-	-	-
Appropriation to Municipality/County (3)	100,000	200,000	-	-	-	-	300,000
Total Unrestricted Net Position Utilized in Proposed Budget	100,000	200,000	-	-	-	-	300,000
PROJECTED UNRESTRICTED UNDESIGNATED NET POSITION AT END OF YEAR (4)	\$ 21,471	\$ 5,027,343	\$ -	\$ -	\$ -	\$ -	\$ 5,048,814

(1) Total of all operations for this line item must agree to audited financial statements.

(2) Include budgeted and unbudgeted use of unrestricted net position in the current year's operations.

(3) Amount may not exceed 5% of total operating appropriations. See calculation below.

Maximum Allowable Appropriation to Municipality/County \$ 209,803 \$ 201,375 \$ - \$ - \$ - \$ - \$ 411,178

(4) If Authority is projecting a deficit for any operation at the end of the budget period, the Authority must attach a statement explaining its plan to reduce the deficit, including the timeline for elimination of the deficit, if not already detailed in the budget narrative section.


2015
WILLINGBORO
MUNICIPAL
UTILITIES
AUTHORITY

AUTHORITY
CAPITAL
BUDGET/
PROGRAM

2015 CERTIFICATION OF AUTHORITY CAPITAL BUDGET/PROGRAM

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

FISCAL YEAR: FROM: January 1, 2015 **TO:** December 31, 2015

 It is hereby certified that the Authority Capital Budget/Program annexed hereto is a true copy of the Capital Budget/Program approved, pursuant to N.J.A.C. 5:31-2.2, along with the Annual Budget, by the governing body of the Willingboro Municipal Utilities Authority, on the 15th day of October, 2014.

OR

It is hereby certified that the governing body of the _____ Authority have elected **NOT** to adopt a Capital Budget /Program for the aforesaid fiscal year, pursuant to N.J.A.C. 5:31-2.2 for the following reason(s): _____

Preparer's Signature:			
Name:	Andrew Weber		
Title:	Interim Executive Director		
Address:	433 John F. Kennedy Way Willingboro NJ 08046-2119		
Phone Number:	609-877-2900	Fax Number:	609-835-4645
E-mail address	andrew@wmua.info		

2015 CAPITAL BUDGET/PROGRAM MESSAGE

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

FISCAL YEAR: **FROM:** January 1, 2015 **TO:** December 31, 2015

1. Has each municipality or county affected by the actions of the authority participated in the development of the capital plan and reviewed or approved the plans or projects included within the Capital Budget/Program?

Yes.

2. Has each capital project/project financing been developed from a specific capital improvement plan or report; does it include full lifecycle costs; and is it consistent with appropriate elements of Master Plans or other plans in the jurisdiction(s) served by the authority?

Yes.

3. Has a long-term (10-20 years) infrastructure needs assessment or other capital plan with a horizon beyond six years been prepared?

Yes.

4. Describe the projected impact of the proposed capital projects, including impact on the schedule of rates, fees, and service charges and the impact on current and future year's schedules.

The proposed capital projects will result in the Authority adjusting its current rate schedule.

5. Please indicate which capital projects/project financings are being undertaken in the Metropolitan or Suburban Planning Areas as defined in the State Development and Redevelopment Plan.

None.

6. Please indicate which capital projects/project financings are being undertaken within the boundary of a State Planning Commission-designated Center and/or Endorsed Plan and if the project was included in the Plan Implementation Agenda for that Center/Endorsed Plan.

None.

Add additional sheets if necessary.

2015 Proposed Capital Budget

Willingboro Municipal Utilities Authority

For the Period January 1, 2015 to December 31, 2015

	Estimated Total Cost	Funding Sources				
		Unrestricted Net Position Utilized	Renewal & Replacement Reserve	Debt Authorization	Capital Grants	Other Sources
<i>Water</i>						
Purchase of Land	\$ 300,000		\$ 300,000			
Replacement of Piping	396,000		396,000			
Equipment and Valves	1,133,000		493,000	640,000		
Well and Tank Rehabilitation	1,938,000		352,000	1,586,000		
Total	3,767,000	-	1,541,000	2,226,000	-	-
<i>Sewer</i>						
Replacement of Piping	50,000		50,000			
Equipment and Valves	3,107,000		724,000	2,383,000		
Treatment Plant Improvements	1,400,000		637,000	763,000		
Project D Description	-					
Total	4,557,000	-	1,411,000	3,146,000	-	-
<i>Operation #3</i>						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
<i>Operation #4</i>						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
<i>Operation #5</i>						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
<i>Operation #6</i>						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
TOTAL PROPOSED CAPITAL BUDGET	\$ 8,324,000	\$ -	\$ 2,952,000	\$ 5,372,000	\$ -	\$ -

Enter brief description of up to four projects for each operation above. For operations with more than four budgeted projects, please attach additional schedules. Input total amount of all projects for the operation on single line and enter "See Attached Schedule" instead of project description.

5 Year Capital Improvement Plan

Willingboro Municipal Utilities Authority

For the Period January 1, 2015 to December 31, 2015

	Estimated Total Cost	Fiscal Year Beginning in					
		Current Year Proposed Budget	2016	2017	2018	2019	2020
<i>Water</i>							
Purchase of Land	\$ 300,000	\$ 300,000					
Replacement of Piping	2,636,000	396,000	640,000	350,000	350,000	550,000	350,000
Equipment and Valves	3,470,000	1,133,000	1,079,000	611,000	349,000	198,000	100,000
Well and Tank Rehabilitation	10,922,000	1,938,000	3,885,000	3,719,000	1,380,000	-	-
Total	<u>17,328,000</u>	<u>3,767,000</u>	<u>5,604,000</u>	<u>4,680,000</u>	<u>2,079,000</u>	<u>748,000</u>	<u>450,000</u>
<i>Sewer</i>							
Replacement of Piping	310,000	50,000	40,000	40,000	40,000	40,000	100,000
Equipment and Valves	4,993,000	3,107,000	602,000	396,000	378,000	410,000	100,000
Treatment Plant Improvements	6,354,000	1,400,000	470,000	2,852,000	286,000	1,346,000	
Project D Description	-	-					
Total	<u>11,657,000</u>	<u>4,557,000</u>	<u>1,112,000</u>	<u>3,288,000</u>	<u>704,000</u>	<u>1,796,000</u>	<u>200,000</u>
<i>Operation #3</i>							
Project A Description	-	-					
Project B Description	-	-					
Project C Description	-	-					
Project D Description	-	-					
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Operation #4</i>							
Project A Description	-	-					
Project B Description	-	-					
Project C Description	-	-					
Project D Description	-	-					
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Operation #5</i>							
Project A Description	-	-					
Project B Description	-	-					
Project C Description	-	-					
Project D Description	-	-					
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Operation #6</i>							
Project A Description	-	-					
Project B Description	-	-					
Project C Description	-	-					
Project D Description	-	-					
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 28,985,000</u>	<u>\$ 8,324,000</u>	<u>\$ 6,716,000</u>	<u>\$ 7,968,000</u>	<u>\$ 2,783,000</u>	<u>\$ 2,544,000</u>	<u>\$ 650,000</u>

Project descriptions entered on Page CB-3 will carry forward to Pages CB-4 and CB-5. No need to re-enter project descriptions above.

5 Year Capital Improvement Plan Funding Sources

Willingboro Municipal Utilities Authority

For the Period January 1, 2015 to December 31, 2015

	Estimated Total Cost	Funding Sources				
		Unrestricted Net Position Utilized	Renewal & Replacement Reserve	Debt Authorization	Capital Grants	Other Sources
<i>Water</i>						
Purchase of Land	\$ 300,000		\$ 300,000			
Replacement of Piping	2,636,000		2,636,000			
Equipment and Valves	3,470,000		3,470,000			
Well and Tank Rehabilitation	10,922,000		1,264,000	9,658,000		
Total	17,328,000	-	7,670,000	9,658,000	-	-
<i>Sewer</i>						
Replacement of Piping	310,000			310,000		
Equipment and Valves	4,993,000			4,993,000		
Treatment Plant Improvements	6,354,000			6,354,000		
Project D Description	-					
Total	11,657,000	-	-	11,657,000	-	-
<i>Operation #3</i>						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
<i>Operation #4</i>						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
<i>Operation #5</i>						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
<i>Operation #6</i>						
Project A Description	-					
Project B Description	-					
Project C Description	-					
Project D Description	-					
Total	-	-	-	-	-	-
TOTAL	\$ 28,985,000	\$ -	\$ 7,670,000	\$ 21,315,000	\$ -	\$ -
Total 5 Year Plan per CB-4	<u>\$ 28,985,000</u>					
Balance check		- If amount is other than zero, verify that projects listed above match projects listed on CB-4.				

Project descriptions entered on Page CB-3 will carry forward to Pages CB-4 and CB-5. No need to re-enter project descriptions above.

2015 AUTHORITY BUDGET

Narrative and Information Section

2015 AUTHORITY BUDGET MESSAGE & ANALYSIS

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

AUTHORITY BUDGET

FISCAL YEAR: FROM: January 1, 2015 TO: December 31, 2015

Answer all questions below. Attach additional pages and schedules as needed.

1. Complete a brief statement on the 2015 proposed Annual Budget and make comparison to the 2014 adopted budget for each operation. Explain any variances over +/-10% for each line item by operation. Explanations of variances should include a description of the reason for the increase/decrease in the budgeted line item, not just an indication of the amount and percent of the change. Attach any supporting documentation that will help to explain the reason for the increase/decrease in the budgeted line item. For example, if anticipated service charges have increased 15% due to an increase in rates, provide a copy of the resolution authorizing the rate increase.

There most significant changes in the annual budget from 2014 to 2015 are operation salaries and administration other expenses. The reason for these expected increases are as follows:

1. There is an (\$183,000, 9.7%) increase in budgeted operational salaries since the current union contract expires on December 31, 2014 and the expected settlement of the new contract will include an increase in salaries. Also, due to operational issues, there is now a temporary need to have employees oversee certain processes at the plant that results in overtime. The current capital program included in this budget addresses this issue and the additional man hours should no longer be required once the projects are completed.
2. There is also an (\$80,500, 18.3%) increase in administration other expenses. In the 2015 budget the NJEIT loan administration fees (\$28,000) have been reclassified from "other reserves" to administration which is in line with GAAP accounting. The rest of the increase is mainly a result of increased general liability insurance (\$16,000), engineering fees resulting from the large capital program (\$20,000), accounting fees (\$15,000) resulting from additional consulting work to assess the impact of the capital program on the rates and a review of the Authority's internal controls. The accounting and engineering fees also increased as a result of the transition process while the Authority searches for a permanent executive director.

2. Complete a brief statement on the impact the proposed Annual Budget will have on Anticipated Revenues, especially service charges and on the general purpose/component unit financial statements. Explain significant increases or decreases, if any. An increase or decrease is considered significant if it is over +/-10% from the current year adopted budget.

There are no significant changes in the total revenues in the annual budget from 2014 to 2015 even though a rate increase is planned. The Authority has experienced decreased water usage over the past few years as a result of the aging population and the tendency for senior citizens to use less water. The Authority has also experienced a higher than normal water shut off rate as a result of customers not paying their bill. The planned rate increase will attempt to compensate for the general decrease in usage while still funding the capital program.

3. Describe the state of the local/regional economy and how it may impact the proposed Annual Budget, including the planned Capital Budget/Program.

As discussed in question 2, the ageing population of Willingboro contributes to decreased usage since senior citizens tend to use less water. Also, as a result of high unemployment, the Authority has experienced an increase in delinquent accounts.

4. Describe the reasons for utilizing Unrestricted Net Position in the proposed Annual Budget, i.e. rate stabilization, debt service reduction, to balance the budget, etc. If the Authority's budget anticipates a use of Unrestricted Net Position, this question must be answered.

To fund the Willingboro Township appropriation.

5. Identify any sources of funds transferred to the County/Municipality as a budget subsidy or a shared service and explain the reason for the transfer (i.e.: to balance the County/Municipality budget, etc.).

To balance the Willingboro Township's budget.

6. The proposed budget must not reflect an anticipated deficit from 2015 operations. If there exists an accumulated deficit from prior years' budgets (and funding is included in the proposed budget as a result of a prior deficit) explain the funding plan to eliminate said deficit (N.J.S.A. 40A:5A-12). If the Authority has a net deficit reported in its most recent audit, it must provide a deficit reduction plan in response to this question.

N/A

7. Attach a schedule of the Authority's existing rate structure (connection fees, parking fees, service charges, etc.) and a schedule of the proposed rate structure for the upcoming fiscal year. Explain any proposed changes in the rate structure and attach the resolution approving the change in the rate structure, if applicable.

			Water User Rates	
			Residential	
			0 - 10,000 Gallons	\$52.00
			10,000 - 13,000	\$2.10 / Thousand Gallons
			13,001 - 26,000	\$3.45 / Thousand Gallons
			> 26,000	\$3.90 / Thousand Gallons
Sewer User Rates			Commercial	
Residential			0 - 10,000 Gallons	\$85.00
0 - 10,000 Gallons	\$50.00		10,000 - 13,000	\$3.90 / Thousand Gallons
> 10,000 Gallons	\$3.10 / Thousand Gallons		13,001 - 26,000	\$5.30 / Thousand Gallons
Commercial			> 26,000	\$6.90 / Thousand Gallons
0 - 10,000 Gallons	\$50.00			
> 10,000 Gallons	\$3.10 / Thousand Gallons			

The planned rate change is attached.

8. Attach a copy of the Authority's most recent Annual Operating Data submission to the Municipal Securities Rulemaking Board's Electronic Municipal Marketplace Access (EMMA) under the Authority's Continuing Disclosure Agreements for any debt issuances outstanding. Examples of Annual Operating Data may include sewer and water billings; parking rents and collections; number of customers; number of available parking spaces; etc. See Local Finance Notice 2014-9 for more information.

Attached.

AUTHORITY CONTACT INFORMATION 2015

Please complete the following information regarding this Authority. All information requested below must be completed.

Name of Authority:	Willingboro Municipal Utilities Authority		
Address:	433 John F. Kennedy Way		
City, State, Zip:	Willingboro	NJ	08046-2119
Phone: (ext.)	609-877-2900	Fax:	609-835-4645

Preparer's Name:	Andrew Weber		
Preparer's Address:	433 John F. Kennedy Way		
City, State, Zip:	Willingboro	NJ	08046-2119
Phone: (ext.)	609-877-2900	Fax:	609-835-4645
E-mail:	Andrew@wmua.info		

Interim Chief Executive Officer:	Andrew Weber		
Phone: (ext.)	609-877-2900	Fax:	609-835-4645
E-mail:	Andrew@wmua.info		

Treasurer:	Joseph Jacobs		
Phone: (ext.)	609-877-2900	Fax:	609-835-4645
E-mail:	joseph@wmua.info		

Name of Auditor:	Kirk Applegate		
Name of Firm:	Bowman and Company LLP		
Address:	601 White Horse Road		
City, State, Zip:	Voorhees	NJ	08049
Phone: (ext.)	856-435-6200	Fax:	856-782-5027
E-mail:	kapplegate@bowmanllp.com		

AUTHORITY INFORMATIONAL QUESTIONNAIRE

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

FISCAL YEAR: FROM: January 1, 2015 TO: December 31, 2015

Answer all questions below completely and attach additional information as required.

- 1) Provide the number of individuals employed in calendar year 2013 as reported on the Authority's Form W-3, Transmittal of Wage and Tax Statements: **52**.
- 2) Provide the amount of total salaries and wages for calendar year 2013 as reported on the Authority's Form W-3, Transmittal of Wage and Tax Statements: **Box 1 = \$1,621,426.59**
- 3) Provide the number of regular voting members of the governing body: **5**
- 4) Provide the number of alternate voting members of the governing body: **0**
- 5) Did any person listed on Page N-4 have a family or business relationship with any other person listed on Page N-4 during the current fiscal year? **No**. *If "yes," attach a description of the relationship including the names of the individuals involved and their positions at the Authority.*
- 6) Did all individuals that were required to file a Financial Disclosure Statement for the current fiscal year because of their relationship with the Authority file the form as required? **Yes**. *If "no," provide a list of those individuals who failed to file a Financial Disclosure Statement and an explanation as to the reason for their failure to file.*
- 7) Does the Authority have any amounts receivable from current or former commissioners, officers, key employees or highest compensated employees? **No**. *If "yes," attach a list of those individuals, their position, the amount receivable, and a description of the amount due to the Authority.*
- 8) Was the Authority a party to a business transaction with one of the following parties:
 - a. A current or former commissioner, officer, key employee, or highest compensated employee? **No**.
 - b. A family member of a current or former commissioner, officer, key employee, or highest compensated employee? **No**.
 - c. An entity of which a current or former commissioner, officer, key employee, or highest compensated employee (or family member thereof) was an officer or direct or indirect owner? **No**.*If the answer to any of the above is "yes," attach a description of the transaction including the name of the commissioner, officer, key employee, or highest compensated employee (or family member thereof) of the Authority; the name of the entity and relationship to the individual or family member; the amount paid; and whether the transaction was subject to a competitive bid process.*
- 9) Did the Authority during the most recent fiscal year pay premiums, directly or indirectly, on a personal benefit contract? A personal benefit contract is generally any life insurance, annuity, or endowment contract that benefits, directly or indirectly, the transferor, a member of the transferor's family, or any other person designated by the transferor. **No**. *If "yes," attach a description of the arrangement, the premiums paid, and indicate the beneficiary of the contract.*
- 10) Explain the Authority's process for determining compensation for all persons listed on Page N-4. Include whether the Authority's process includes any of the following: 1) review and approval by the commissioners or a committee thereof; 2) study or survey of compensation data for comparable positions in similarly sized entities; 3) annual or periodic performance evaluation; 4) independent compensation consultant; and/or 5) written employment contract. **The Township of Willingboro sets the commissioner's salary. There is no formal evaluation for key employees other than a review and approval from the commissioners.**
- 11) Did the Authority pay for meals or catering during the current fiscal year? **Yes, there was an annual employee appreciation dinner in December, approximate cost was \$6,000.00**. *If "yes," attach a detailed list of all meals and/or catering invoices for the current fiscal year and provide an explanation for each expenditure listed.*
- 12) Did the Authority pay for travel expenses for any employee or individual listed on Page N-4? **Employees are only reimbursed for mileage and tolls. The Authority will reimburse all employees the cost of mileage and tolls if they are required to use their personal vehicles for Authority business other than the daily commute**. *If "yes," attach a detailed list of all travel expenses for the current fiscal year and provide an explanation for each expenditure listed.*
- 13) Did the Authority provide any of the following to or for a person listed on Page N-4 or any other employee of the Authority:
 - a. First class or charter travel **No**.
 - b. Travel for companions **No**.
 - c. Tax indemnification and gross-up payments **No**.
 - d. Discretionary spending account **No**.
 - e. Housing allowance or residence for personal use **No**.
 - f. Payments for business use of personal residence **No**.
 - g. Vehicle/auto allowance or vehicle for personal use **No**.
 - h. Health or social club dues or initiation fees **No**.
 - i. Personal services (i.e.: maid, chauffeur, chef) **No**.*If the answer to any of the above is "yes," attach a description of the transaction including the name and position of the individual and the amount expended.*

AUTHORITY INFORMATIONAL QUESTIONNAIRE (CONTINUED)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

FISCAL YEAR: **FROM:** January 1, 2015 **TO:** December 31, 2015

- 14) Did the Authority follow a written policy regarding payment or reimbursement for expenses incurred by employees and/or commissioners during the course of Authority business and does that policy require substantiation of expenses through receipts or invoices prior to reimbursement? **Yes.** *If "no," attach an explanation of the Authority's process for reimbursing employees and commissioners for expenses.*
- 15) Did the Authority make any payments to current or former commissioners or employees for severance or termination? **No.** *If "yes," attach explanation including amount paid.*
- 16) Did the Authority make any payments to current or former commissioners or employees that were contingent upon the performance of the Authority or that were considered discretionary bonuses? **No.** *If "yes," attach explanation including amount paid.*
- 17) Did the Authority comply with its Continuing Disclosure Agreements for all debt issuances outstanding by submitting its audited annual financial statements, annual operating data, and notice of material events to the Municipal Securities Rulemaking Board's Electronic Municipal Marketplace Access (EMMA) as required? **Yes.** *If "no," attach a description of the Authority's plan to ensure compliance with its Continuing Disclosure Agreements in the future.*
- 18) Did the Authority receive any notices from the Department of Environmental Protection or any other entity regarding maintenance or repairs required to the Authority's systems to bring them into compliance with current regulations and standards that it has not yet taken action to remediate? **No.** *If "yes," attach explanation as to why the Authority has not yet undertaken the required maintenance or repairs and describe the Authority's plan to address the conditions identified.*
- 19) Did the Authority receive any notices of fines or assessments from the Department of Environmental Protection or any other entity due to noncompliance with current regulations (i.e.: sewer overflow, etc.)? **No.** *If "yes," attach a description of the event or condition that resulted in the fine or assessment and indicate the amount of the fine or assessment.*

**AUTHORITY SCHEDULE OF COMMISSIONERS, OFFICERS, KEY EMPLOYEES,
HIGHEST COMPENSATED EMPLOYEES AND INDEPENDENT CONTRACTORS**

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

FISCAL YEAR: FROM: January 1, 2015 TO: December 31, 2015

Complete the attached table for all persons required to be listed per #1-4 below.

- 1) List all of the Authority's current commissioners and officers and amount of compensation from the Authority and any other public entities as defined below. Enter zero if no compensation was paid.
- 2) List all of the Authority's key employees and highest compensated employees other than a commissioner or officer as defined below and amount of compensation from the Authority and any other public entities.
- 3) List all of the Authority's former officers, key employees and highest compensated employees who received more than \$100,000 in reportable compensation from the Authority and any other public entities during the most recent fiscal year completed.
- 4) List all of the Authority's former commissioners who received more than \$10,000 in reportable compensation from the Authority and any other public entities during the most recent fiscal year completed.

Commissioner: A member of the governing body of the authority with voting rights. Include alternates for purposes of this schedule.

Officer: A person elected or appointed to manage the authority's daily operations at any time during the year, such as the chairperson, vice-chairperson, secretary, or treasurer. For the purposes of this schedule, treat the authority's top management official and top financial official as officers. A member of the governing body may be both a commissioner and an officer for the purposes of this schedule.

Key employee: An employee or independent contractor of the authority (other than a commissioner or officer) who meets both of the following criteria:

- a) The individual received reportable compensation from the authority and all related entities in excess of \$150,000 for the most recent fiscal year completed; and
- b) The individual has responsibilities or influence over the authority as a whole or has power to control or determine 10% or more of the authority's capital expenditures or operating budget.

Highest compensated employee: One of the five highest compensated employees or independent contractors of the authority other than current commissioners, officers, or key employees whose aggregate reportable compensation from the authority and related entities is greater than \$100,000 for the most recent fiscal year completed.

Compensation: All forms of cash and non-cash payments or benefits provided in exchange for services, including salaries and wages, bonuses, severance payments, deferred payments, retirement benefits, fringe benefits, and other financial arrangements or transactions such as personal vehicles, meals, housing, personal and family education benefits, below-market loans, payment of personal or family travel, entertainment, and personal use of the Authority's property. Compensation includes payments and other benefits provided to both employees and independent contractors in exchange for services.

Reportable compensation: The aggregate compensation that is reported (or is required to be reported) on Form W-2, box 1 or 5, whichever amount is greater, and/or Form 1099-MISC, box 7, for the most recent calendar year ended 60 days before the start of the proposed budget year. For example, for fiscal years ending December 31, 2015, the calendar year 2013 W-2 and 1099 should be used (60 days prior to start of budget year is November 1, 2014, with 2013 being the most recent calendar year ended), and for fiscal years ending June 30, 2016, the calendar year 2014 W-2 and 1099 should be used (60 days prior to start of budget year is May 1, 2015, with 2014 being the most recent calendar year ended).

Other Public Entity: Any municipality, county, local authority, fire district, or other government unit, regardless of whether it is related in any way to the Authority either by function or by physical location.

Authority Schedule of Commissioners, Officers, Key Employees, Highest Compensated Employees and Independent Contractors (Continued)

Willingboro Municipal Utilities Authority
 For the Period January 1, 2015 to December 31, 2015

Name	Title	Average Hours per Week Dedicated to Position	Position					Reportable Compensation from Authority (W-2/ 1099)		Estimated amount of other compensation from the Authority (health benefits, pension, etc.)	Total Compensation from Authority	Names of Other Public Entities where Individual is an Employee or Member of the Governing Body	Positions held at Other Public Entities Listed in Column O	Average Hours per Week Dedicated to Positions at Other Public Entities Listed in Column O	Reportable Compensation from Other Public Entities (W-2/ 1099)	Estimated amount of other compensation from Other Public Entities (health benefits, pension, payment in lieu of health benefits, etc.)	Total Compensation All Public Entities
			Commissioner	Key Employee Officer	Highest Compensated Employee	Former	Base Salary/ Stipend	Bonus	Other (auto allowance, expense account, payment in lieu of health benefits, etc.)								
1 Joseph Bateman	Executive Director	45			X	X	\$ 153,546	\$ 3,312	\$ 30,500	\$ 187,358						\$ 187,358	
2 James Mackie	Superintendent	45		X			100,540		30,500	131,040						131,040	
3 Michael Armstrong	Secretary	2		X			11,039			11,039						11,039	
4 Joseph Jacobs	Treasurer	2	X				12,813			12,813						12,813	
5 Eddie Campbell Jr	Vice-Chairman	2	X				9,820			9,820	Willingboro Township	Elected Council Member	2	15,106	4,277	29,202	
6 Dennis Reiter	Commissioner	2	X				9,820			9,820						9,820	
7 T Wayne Scott	Commissioner	2	X				7,364			7,364						7,364	
8 Christopher Walker	Chairman	2	X				10,527			10,527	Willingboro Township	Elected Council Member				10,527	
9 Jacqueline Jennngs	(Alternate in 2013) (Commissioner in 2014)	2	X				-			-	Willingboro Township	Elected Council Member		16,144	2,193	18,337	
10 James H. Gray	Commissioner	2	X				9,879			9,879						9,879	
11										-						-	
12										-						-	
13										-						-	
14										-						-	
15										-						-	
Total:							\$ 325,347	\$ -	\$ 3,312	\$ 61,000	\$ 389,659			\$ 31,250	\$ 6,470	\$ 427,379	

Enter the total number of employees/ independent contractors who received more than \$100,000 in total reportable compensation for the most recent fiscal year completed:

Schedule of Health Benefits - Detailed Cost Analysis

Willingboro Municipal Utilities Authority
For the Period January 1, 2015 to December 31, 2015

	# of Covered Members (Medical & Rx) Proposed Budget	Annual Cost Estimate per Employee Proposed Budget	Total Cost Estimate Proposed Budget	# of Covered Members (Medical & Rx) Current Year	Annual Cost per Employee Current Year	Total Current Year Cost	\$ Increase (Decrease)	% Increase (Decrease)
Active Employees - Health Benefits - Annual Cost								
Single Coverage	13	\$ 11,017	\$ 143,222	13	\$ 10,492	\$ 136,402	\$ 6,820	5.0%
Parent & Child			-			-	-	#DIV/0!
Employee & Spouse (or Partner)	9	22,857	205,714	9	21,769	195,918	9,796	5.0%
Family	13	28,534	370,945	13	27,175	353,281	17,664	5.0%
Employee Cost Sharing Contribution (enter as negative -)			(77,285)			(46,188)	(31,097)	67.3%
Subtotal	35		642,596	35		639,413	3,183	0.5%
Commissioners - Health Benefits - Annual Cost								
Single Coverage			-			-	-	#DIV/0!
Parent & Child			-			-	-	#DIV/0!
Employee & Spouse (or Partner)			-			-	-	#DIV/0!
Family			-			-	-	#DIV/0!
Employee Cost Sharing Contribution (enter as negative -)								#DIV/0!
Subtotal	-		-	-		-	-	#DIV/0!
Retirees - Health Benefits - Annual Cost								
Single Coverage	5	\$ 9,896	49,478	5	\$ 9,424	47,122	2,356	5.0%
Parent & Child	2	12,315	24,630	2	11,729	23,458	1,173	5.0%
Employee & Spouse (or Partner)	7	20,790	145,530	7	19,800	138,600	6,930	5.0%
Family	1	33,112	33,112	1	31,535	31,535	1,577	5.0%
Employee Cost Sharing Contribution (enter as negative -)								#DIV/0!
Subtotal	15		252,750	15		240,715	12,036	5.0%
GRAND TOTAL	\$ 50		\$ 895,346	\$ 50		\$ 880,128	\$ 15,219	1.7%

Is medical coverage provided by the SHBP (Yes or No)?

Yes

Is prescription drug coverage provided by the SHBP (Yes or No)?

Yes

Schedule of Accumulated Liability for Compensated Absences

Willingboro Municipal Utilities Authority

For the Period

January 1, 2015

to

December 31, 2015

Complete the below table for the Authority's accrued liability for compensated absences.

Individuals Eligible for Benefit	Gross Days of Accumulated Compensated Absences at beginning of Current Year	Dollar Value of Accrued Compensated Absence Liability	<i>Legal Basis for Benefit (check applicable items)</i>		
			Approved Labor Agreement	Resolution	Individual Employment Agreement
Administration	225.47	\$ 37,595			X
Pollution Control	1,431.06	109,289	X		
Water Treatment	1,484.25	112,082	X		
Total liability for accumulated compensated absences at beginning of current year		<u>\$ 258,967</u>			

Schedule of Shared Service Agreements

Willingboro Municipal Utilities Authority

For the Period

January 1, 2015

to

December 31, 2015

Enter the shared service agreements that the Authority currently engages in and identify the amount that is received/paid for those services.

Name of Entity Providing Service	Name of Entity Receiving Service	Type of Shared Service Provided	Comments (Enter more specifics if needed)	Agreement Effective Date	Agreement End Date	Amount to be Received by/ Paid from Authority
Willingboro Township	Willingboro MUA	Purchasing Agent	Utilized to increase bid threshold	1/1/2013	Open	5,000

**ANNUAL REPORT OF
THE WILLINGBORO TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY
COUNTY OF BURLINGTON
STATE OF NEW JERSEY**
For the Calendar Year Ended December 31, 2013
(as required by Securities and Exchange Commission)
Under Rule 15c 2-12 (b)(5)]



75 YEARS OF SERVICE

1939-2014

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AUTHORITY INFORMATION

CURRENT AUTHORITY DEBT SERVICE

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,325,999.90	\$ 466,315.63	\$ 1,792,315.53
2015	1,358,282.82	422,937.50	1,781,220.32
2016	1,398,584.72	376,900.00	1,775,484.72
2017	1,453,735.66	327,950.00	1,781,685.66
2018	1,503,735.66	276,450.00	1,780,185.66
2019	1,563,584.72	222,650.00	1,786,234.72
2020	1,631,135.76	167,375.00	1,798,510.76
2021	1,680,169.68	107,875.00	1,788,044.68
2022	504,037.56	73,350.00	577,387.56
2023	520,758.38	60,800.00	581,558.38
2024	499,128.13	47,500.00	546,628.00
2025	455,788.57	35,650.00	491,439.00
2026	399,128.13	25,500.00	424,628.00
2027	410,335.73	17,500.00	427,836.00
2028	421,241.63	9,000.00	430,242.00
2029	127,124.31	-	127,124.00
	<u>\$ 15,252,771.36</u>	<u>\$ 2,637,753.13</u>	<u>\$ 17,890,524.99</u>

COMPARISON OF 2013 AND 2014 BUDGETS

<u>Appropriation Title</u>	<u>2013 Budget</u>	<u>2014 Budget</u>
<u>Revenues</u>		
Service Agreements	\$ 1,700,000	\$ 1,725,000
User Charges and Fees	7,740,617	8,061,000
Interest on Investments and Deposits	46,000	29,000
Leachate Disposal Fees	8,000	14,000
Elevated Tank Rental	215,000	220,000
Late Penalties	80,000	80,000
Renewable Energy Credits	97,000	36,000
Other Miscellaneous Revenues	290,750	250,250
Subtotal	10,177,367	10,415,250
Retained Earnings Anticipated	-	200,000
Total Revenues	<u>\$ 10,177,367</u>	<u>\$ 10,615,250</u>
<u>Expenditures</u>		
Water Department		
Administration		
Salaries and Wages	\$ 322,000	\$ 312,500
Fringe Benefits	200,000	193,250
Other Expenses	195,000	219,500
	<u>717,000</u>	<u>725,250</u>
Cost of Providing Services		
Salaries and Wages	1,080,000	1,129,000
Fringe Benefits	619,900	649,400
Other Expenses	1,153,000	1,221,000
	<u>2,852,900</u>	<u>2,999,400</u>
Bond Principal	644,403	659,181
Interest Payments	291,535	288,448
Municipal Appropriation	123,437	100,000
Reserves	963,000	1,019,971
Accumulated Deficit	48,225	
Subtotal - Water Department	<u>5,640,500</u>	<u>5,792,250</u>
Pollution Control Department		
Administration		
Salaries and Wages	322,000	312,500
Fringe Benefits	200,000	193,250
Other Expenses	195,000	219,500
	<u>717,000</u>	<u>725,250</u>
Cost of Providing Services		
Salaries and Wages	762,000	761,000
Fringe Benefits	438,700	461,336
Other Expenses	943,700	990,200
	<u>2,144,400</u>	<u>2,212,536</u>
Bond Principal	669,858	695,461
Interest Payments	227,046	247,753
Municipal Appropriation	176,563	100,000
Reserves	602,000	842,000
Subtotal - Pollution Control Department	<u>4,536,867</u>	<u>4,823,000</u>
Total Expenditures	<u>\$ 10,177,367</u>	<u>\$ 10,615,250</u>

PERCENTAGE OF COLLECTIONS

<u>Year Ended</u> <u>December 31,</u>	<u>Beginning</u> <u>Balance</u>	<u>Total</u> <u>Billings</u>	<u>Current</u> <u>Collections</u>	<u>Percentage of</u> <u>Collections</u>
2013	\$ 724,060	\$ 7,308,019	\$ 7,243,647	90.18%
2012	689,820	7,168,663	7,134,422	90.79
2011	705,502	7,102,020	7,117,702	91.16
2010	517,487	7,205,633	7,017,618	90.87
2009	491,961	6,403,067	6,377,541	92.49
2008	306,047	6,075,353	5,889,440	92.29
2007	483,523	5,936,840	6,114,316	95.23
2006	457,795	6,277,121	6,251,393	92.82
2005	407,719	5,813,452	5,860,490	94.20
2004	375,199	5,522,309	5,489,788	93.09

WATER AND SEWER RATES

The users of the Authority's System within the boundaries of the Township and that portion of the Township of Westampton are billed directly by the Authority ("Direct Users"). For users within the service area of the Edgewater Park Authority, such users are billed directly by the Edgewater Park Authority, which, in turn, pursuant to the Sewer Customer Agreement, pays the Authority the service fee calculated in accordance with the Sewer Customer Agreement. All of the Authority's users are metered.

The Authority's schedule of rates consists primarily of water and sewer rates and connections charges. The initial fee for the right to connect residences directly or indirectly to the Authority's System includes a connection charge per equivalent dwelling unit ("EDU") of \$6,100.

For Direct Users of the System, water rates are \$49.00 for the first 10,000 gallons of water and sewer rates are \$48.00 for the first 10,000 gallons of water. Water rates for gallons used in excess of 10,000 gallons are \$2.10 per 1,000 gallons for 10,001 to 13,000 gallons; \$3.25 per 1,000 gallons for 13,001 to 26,000 gallons and \$4.22 per 1,000 gallons for 26,001 gallons and above. Sewer rate for water gallons above 10,001 are \$3.00 per 1,000 gallons.

Pursuant to the Sewer Customer Agreement, the Edgewater Park Authority is required to pay the Authority's rates calculated in accordance with the Sewer Customer Agreement. For residential users, the Edgewater Park Authority pays a flat fee of \$45.875 for sewage treatment regardless of the number of gallons used. For commercial users, the Edgewater Park Authority pays \$3.00 per 1,000 gallons. In the event of a sewer rate increase pursuant to the Sewer Customer Agreement, the Edgewater Park Authority pays exactly the same increase payable by the Direct Users. Such increase constitutes an automatic pass through to the Edgewater Park Authority without any further action or governmental approval to cause such rate increase to take effect.

Under the Water Customer Agreement, the Authority bills the Mount Laurel Township Municipal Utilities Authority on a quarterly basis. This bill includes water use by The Evesham Municipal Utilities Authority as well. The Mount Laurel Township Municipal Utilities Authority is required to pay the Authority no later than the last day of the month following the month in which the bill is presented to the Authority. The Mount Laurel Municipal Utilities Authority then bills The Evesham Municipal Utilities Authority for their portion of water received under the Water Customer Agreement.

TOWNSHIP INFORMATION

CERTAIN TAX INFORMATION

CURRENT TAX COLLECTIONS (1)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2013	\$63,153,926	\$60,835,530	96.33%	\$1,849,687	2.93%
2012	61,763,842	59,180,336	95.82	2,297,322	3.72
2011	62,062,021	59,904,115	96.52	1,722,165	2.77
2010	61,998,360	58,922,292	95.04	2,330,401	3.76
2009	59,169,075	57,032,061	96.39	2,137,013	3.61

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding Jan 1</u>	<u>Added</u>	<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
			<u>Amount</u>	<u>Percentage</u>			
2013	\$2,679,571	\$5,270	\$2,139,269	79.68%	\$3,255	\$102,544	\$439,773
2012	1,957,258	190,226	1,764,663	82.17	---	573	382,248
2011	2,630,704	98,579	2,455,907	89.98	285	37,998	235,093
2010	2,405,800	5,263	2,097,846	87.01	12,914	---	300,303
2009	2,397,159	28,990	2,157,362	88.92	---	---	268,787

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Sales and Transfers</u>	<u>Cancellations, Foreclosures and Transfers</u>	<u>Balance Dec. 31</u>
2013	\$216,030	\$42,096	\$189,286	\$68,840
2012	263,731	11,743	59,444	216,030
2011	351,878	12,569	100,716	263,731
2010	303,247	69,312	20,681	351,878
2009	322,134	---	18,887	303,247

(1) Source: Annual Reports of Audit

FORECLOSED PROPERTY (1)(2)

<u>Year</u>	<u>Balance Dec. 31</u>
2013	\$228,500
2012	1,430
2011	1,430
2010	1,430
2009	1,430

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (3)

<u>Year</u>	<u>Net Assessed Valuation</u>	<u>Tax Rate (4)</u>			
		<u>Total</u>	<u>County</u>	<u>School</u>	<u>Municipal</u>
2013	\$1,889,467,064	\$3.338	\$.343	\$1.435	\$1.560
2012	1,899,777,706	3.251	.354	1.400	1.497
2011	1,912,783,204	3.244	.367	1.408	1.469
2010	1,937,041,519 (5)	3.201	.393	1.392	1.416
2009	1,122,345,113	5.264	.678	2.388	2.198

(1) Source: Annual Reports of Audit, unless otherwise noted

(2) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services.

(3) Source: Township Tax Assessor

(4) Per \$100 of assessed valuation

(5) Revaluation

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

The Chairman and Members of
The Willingboro Municipal Utilities Authority
Willingboro, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Willingboro Municipal Utilities Authority, in the County of Burlington, State of New Jersey, a component unit of the Township of Willingboro, as of and for the years ending December 31, 2013 and 2012 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements.

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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 an 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinions

In our opinion, the financial statements present fairly, in all material respects, the financial position of the business-type activities of the Willingboro Municipal Utilities Authority, in the County of Burlington, State of New Jersey as of December 31, 2013 and 2012, and the its changes in financial position and its cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Authority's Report of Audit for the years ended December 31, 2013 and 2012, includes certain supplementary information, including the required budgetary comparisons and management's discussion and analysis, that is not included with this presentation of the basic financial statements.

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
April 25, 2014

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Comparative Statements of Net Position

As of December 31, 2013 and 2012

ASSETS	<u>2013</u>	<u>2012</u> (Restated)
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 6,857,936.84	\$ 5,520,423.00
Investments	346,863.48	746,005.09
Service Fees Receivable	788,431.73	724,060.19
Intergovernmental Service Agreements Receivable	411,907.60	510,160.84
Other Accounts Receivable	13,316.01	20,793.25
Investment Income Receivable	13.59	4.80
Inventory	367,920.93	386,219.89
Total Unrestricted Assets	<u>8,786,390.18</u>	<u>7,907,667.06</u>
Restricted Assets:		
Cash and Cash Equivalents	275,356.13	187,144.03
Investments	3,756,459.87	4,221,059.53
Investment Income Receivable	4,587.20	4,587.14
Total Restricted Assets	<u>4,036,403.20</u>	<u>4,412,790.70</u>
Total Current Assets	<u>12,822,793.38</u>	<u>12,320,457.76</u>
Capital Assets:		
Construction in Progress	717,850.83	124,517.51
Completed (net of depreciation)	34,462,223.38	36,065,931.25
Total Capital Assets	<u>35,180,074.21</u>	<u>36,190,448.76</u>
Total Assets	<u>48,002,867.59</u>	<u>48,510,906.52</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding	<u>345,552.69</u>	<u>415,800.70</u>

(Continued)

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Comparative Statements of Net Position

As of December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u> (Restated)
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	\$ 479,989.35	\$ 419,863.47
Unearned Revenue	179,278.24	142,696.51
Overpaid Consumer Accounts Receivable	81,432.11	73,381.38
Developer's Deposits	87,092.80	120,683.47
	<hr/>	<hr/>
Total Current Liabilities Payable from Current Assets	827,792.50	756,624.83
	<hr/>	<hr/>
Current Liabilities Payable from Restricted Assets:		
Accrued Interest Payable	240,655.30	260,083.17
Accounts Payable	125,765.58	145,096.08
Retainage Payable	5,148.94	29,653.99
Current Portion of Loans Payable	425,999.90	415,547.05
Current Portion of Bonds Payable	900,000.00	870,000.00
	<hr/>	<hr/>
Total Current Liabilities Payable from Restricted Assets	1,697,569.72	1,720,380.29
	<hr/>	<hr/>
Total Current Liabilities	2,525,362.22	2,477,005.12
	<hr/>	<hr/>
Long-term Liabilities:		
Compensated Absences Payable	408,165.44	363,528.64
OPEB Liability	289,363.80	233,304.10
Loans Payable	6,566,771.46	6,992,771.36
Bonds Payable	7,371,791.38	8,273,285.09
	<hr/>	<hr/>
Total Long-Term Liabilities	14,636,092.08	15,862,889.19
	<hr/>	<hr/>
Total Liabilities	17,161,454.30	18,339,894.31
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	20,394,380.64	20,169,128.66
Restricted for:		
Bond Resolution Covenants	5,844,054.74	5,728,486.74
Unemployment Compensation	189,080.79	185,173.27
Unrestricted	4,759,449.81	4,504,024.24
	<hr/>	<hr/>
Total Net Position	<u>\$ 31,186,965.98</u>	<u>\$ 30,586,812.91</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY
 Comparative Statements of Revenues, Expenses and Changes in Net Position
 For The Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u> (Restated)
Operating Revenues:		
Service Fees	\$ 7,308,018.79	\$ 6,602,723.70
Intergovernmental Service Agreements	1,817,819.87	1,928,380.76
Connection Fees	526,480.00	485,880.44
Other Operating Revenues	803,042.57	711,248.38
Total Operating Revenues	10,455,361.23	9,728,233.28
Operating Expenses:		
Administration:		
Salaries and Wages	632,932.29	683,402.79
Fringe Benefits	323,937.18	339,956.64
Other Expenses	540,673.79	455,372.99
Total Administration	1,497,543.26	1,478,732.42
Cost of Providing Service:		
Salaries and Wages	1,863,579.52	1,817,363.59
Fringe Benefits	1,050,685.75	1,025,504.21
Other Expenses	2,010,387.13	1,896,236.01
Total Cost of Providing Service	4,924,652.40	4,739,103.81
Major Repairs	480,066.38	338,864.79
Depreciation	2,179,705.46	2,117,014.78
Total Operating Expenses	9,081,967.50	8,673,715.80
Operating Income	1,373,393.73	1,054,517.48
Non-operating Income (Expenses):		
Investment Income	11,133.85	27,684.97
Net Unemployment Activity	3,721.92	3,940.10
Interest Expense	(588,096.43)	(628,327.18)
Cancellation of NJEIT Credit (Prior Period Adjustment - See Note #11)		(112,229.00)
Contribution to Willingboro Township Per N.J.S.A. 40A:5A-1	(200,000.00)	(200,000.00)
Net Non-operating (Expenses)	(773,240.66)	(908,931.11)
Change in Net Position	600,153.07	145,586.37
Net Position - Beginning	30,586,812.91	30,441,226.54
Net Position - Ending	\$ 31,186,965.98	\$ 30,586,812.91

The accompanying Notes to Financial Statements are an integral part of this statement.

WILLINGBORO MUNICIPAL UTILITIES AUTHORITY

Comparative Statements of Cash Flows
For The Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 9,204,352.82	\$ 8,380,842.65
Payments to Employees	(3,770,438.24)	(3,840,158.36)
Payments to Suppliers	(2,952,702.46)	(2,555,382.03)
Other Operating Receipts	1,303,409.14	1,155,822.81
Net Cash Provided by Operating Activities	<u>3,784,621.26</u>	<u>3,141,125.07</u>
Cash Flows from Capital and Related Financing Activities :		
Capital Acquisitions	(1,188,661.41)	(1,588,087.51)
Unemployment Activity	3,721.92	3,940.10
Retainage Payable	(24,505.05)	(39,146.00)
Contribution to Willingboro Township Per N.J.S.A. 40A:5A-1	(200,000.00)	(200,000.00)
NJEIT Drawdowns		200,272.00
Debt Service Principal	(1,285,547.05)	(1,249,943.26)
Debt Service Interest	(538,770.00)	(577,508.76)
Net Cash Used in Capital and Related Financing Activities	<u>(3,233,761.59)</u>	<u>(3,450,473.43)</u>
Cash Flows from Investing Activities:		
Investment Income	45,815.00	27,697.83
Unrealized Losses	(34,690.00)	
Investment Redemptions	863,741.27	1,441,484.29
Net Cash Provided by Investing Activities	<u>874,866.27</u>	<u>1,469,182.12</u>
Net Increase in Cash and Cash Equivalents	1,425,725.94	1,159,833.76
Cash and Cash Equivalents - Beginning	<u>5,707,567.03</u>	<u>4,547,733.27</u>
Cash and Cash Equivalents - Ending	<u>\$ 7,133,292.97</u>	<u>\$ 5,707,567.03</u>
Cash Flows from Operating Activities:		
Operating Income	\$ 1,373,393.73	\$ 1,054,517.48
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	2,179,705.46	2,117,014.78
Change in Assets and Liabilities:		
Service Fees Receivable	(64,371.54)	(34,240.60)
Intergovernmental Service Fees Receivable	98,253.24	(129,673.75)
Other Accounts Receivable	7,477.24	43,571.85
Inventory	18,298.96	(44,885.11)
Accounts Payable	60,125.88	179,976.87
OPEB Expense	56,059.70	59,792.70
Unearned Revenue	36,581.73	8,245.72
Payroll Deductions Payable		(16,267.48)
Compensated Absences	44,636.80	(17,456.35)
Overpaid Consumer Accounts Receivable	8,050.73	5,406.82
Developer's Deposits	(33,590.67)	(84,877.86)
Net Cash Provided by Operating Activities	<u>\$ 3,784,621.26</u>	<u>\$ 3,141,125.07</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Reporting Entity**

The Willingboro Municipal Utilities Authority (the "Authority") is a public body corporate and politic of the State of New Jersey and was originally created as a sewerage authority by an ordinance adopted on December 3, 1956 by the governing body of the Township of Willingboro (the "Township"), pursuant to the Sewerage Authority Law, Chapter 138 of the Laws of 1946, as amended. By Ordinance of the governing body of the Township adopted October 7, 1957, the Authority was reorganized as a municipal utilities authority pursuant to the Municipal and County Utilities Authorities Law.

The Authority was created for the purpose of constructing, maintaining and operating water supply and distribution and sewerage collection and treatment facilities for the relief of waters in, bordering or entering the areas within the territorial boundaries of the Township from pollution or threatened pollution and for the improvement of conditions affecting the public health.

The Authority currently provides water supply and sewerage collection and treatment service to all residences and businesses within the Township and a portion of Westampton Township. The Authority also provides bulk water to Mt. Laurel Township and sewerage treatment service to Edgewater Park Township.

Component Unit

Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, provide guidance that all entities associated with a primary government are potential component units, and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. In addition, GASB Statement No. 61 clarifies the manner in which component units are presented, whether discretely presented, blended, or included in the fiduciary fund financial statements.

The Authority is a component unit of the Township as described in Governmental Accounting Standards Board Statements described in the preceding paragraph. These financial statements would be either blended or discretely presented as part of the Township's financial statements if the Township reported using generally accepted accounting principles applicable to governmental entities.

As of December 31, 2013, it has been determined by the Authority that no component units exist.

Basis of Presentation

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Presentation (Cont'd)**

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

The transactions of the Authority are divided into two separate activities (water and sewer) within the enterprise fund type. Each activity is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenditures.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Water and sewer service charges are recognized as revenue when services are provided. Connection fees are collected in advance and, accordingly, the Authority defers these revenues until the municipality issues a release for certificate of occupancy and determines that water distribution and sewage collection services are being provided to the properties.

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

Expenses / Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Budgets and Budgetary Accounting

The Authority must adopt an annual budget in accordance with N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current year and to adopt not later than the beginning of the Authority's year. The governing body may amend the budget at any point during the year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, amortization of bond issue costs, bond discounts and deferred loss on defeasance are not included in the budget appropriations.

The legal level of budgetary control is established at the detail shown on the Statement of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended.

The Authority records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds and 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. Such is the definition of cash and cash equivalents used in the statement of cash flows. 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.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

Additionally, the Authority has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. The Act was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

Inventory

Inventory is recorded at cost and consists principally of spare parts for the infrastructure and chemicals for the treatment of water and sewerage. The Authority has determined that the inventories are material and are recorded in the financial statements

Capital Assets

Capital Assets primarily consists of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets purchased prior to January 1, 1994 are stated at estimated cost. Assets purchased since are stated at actual cost.

Costs incurred are recorded as construction in progress. In the year that the project is completed, these costs are transferred to Capital assets. Interest costs incurred during construction are not capitalized into the cost of the asset.

Expenditures are capitalized when they meet the following requirements:

- 1) Cost of \$5,400 or more
- 2) Useful life of more than one year
- 3) Asset is not affected by consumption

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Depreciation**

Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	<u>Years</u>
Buildings	30-40
Major Moveable Equipment	7-20
Vehicles	8-15
Infrastructure	25

Depreciation is calculated as of the month of acquisition.

Bond Discount and Bond Premium

Bond discount and bond premium arising from the issuance of the revenue bonds are recorded as liabilities. They are amortized by the straight-line method from the issue date to maturity as a component of interest expense. Bond discount and bond premium are presented as an adjustment of the face amount on the bonds.

Deferred Loss on Refunding

Deferred loss on refunding arising from the issuance of the revenue refunding bonds is recorded as a deferred outflow of resources. It is amortized by the straight-line method from the issue date to maturity as a component of interest expense.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the Authority is eligible to realize the revenue.

Net Position

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", the Authority has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position (Cont'd)**

Restricted – This component of net position consists of external constraints imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation, that restricts the use of net position.

Unrestricted - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets." This component includes net position that may be allocated for specific purposes by the Board.

Income Taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from water treatment and sewer collection facilities (e.g., water and sewer rents and connection fees) and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities.

Operating expenses include expenses associated with the operation, maintenance and repair of the water treatment and sewer collection systems and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt.

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 estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates

Impact of Recently Issued Accounting Principles.**Recently Issued and Adopted Accounting Pronouncements**

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASBS 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This Statement is effective for periods beginning after June 15, 2012. The adoption of GASBS 61 does not have any impact on the Authority's financial statements.

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities.

Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. The adoption of GASBS 66 does not have any impact on the Authority's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The Authority does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the Authority's financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the Authority's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the Authority's financial statements although no impact is expected.

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the Authority's financial statements although no impact is expected.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*. The objective of GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**Compliance with Finance Related Legal and Contractual Provisions**

Management of the Authority is unaware of any material violations of finance related legal and contractual provisions.

Senior Bond Resolution

The Authority is subject to the provisions and restrictions of the General Bond Resolution adopted June 17, 1986 and Supplemental Resolutions adopted April 11 and May 5, 1991, October 15 and November 12, 1996, September 15 and October 1, 1998, March 20 and March 28, 2001, August 20, 2002, February 2, 2005 and July 15, 2008 (collectively the "Bond Resolution"). A summary of the activities of each account created by the Bond Resolution is covered below.

Revenue Account - All money collected by the Authority for service charges or from any other source for operating, maintaining or repairing the system is deposited in this account. The Trustee, on the first day of each month, shall make payments into the other accounts to satisfy bond resolution or operating requirements.

Operating Account - The balance on deposit must be equal to at least 50% of the annual appropriation for operating expenses. At December 31, 2013, the balance in the operating account meets the requirements of the Bond Resolution.

Bond Service Account - The balance on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds, principal amount maturing on bonds and sinking fund installments when such payments are required. At December 31, 2013, the balance in the bond service account meets the requirements of the Bond Resolution.

Bond Reserve Account - The amount of funds on deposit must be maintained at a level equal to the Maximum Debt Service to insure funds are available for payment of Debt Service. At December 31, 2013, the balance in the bond reserve account meets the requirements of the Bond Resolution.

Renewal and Replacement Account - These funds are maintained for reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements or maintenance items of a type not recurring annually. At December 31, 2013, the balance in the renewal and replacement account meets the requirements of the Bond Resolution.

General Account - All excess funds of the Authority are recorded in the general account. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the Authority may use the excess funds for any lawful purpose.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**Debt Service Coverage**

Section 709 of the Senior Bond Resolution requires certain ratios of Net Revenues to Debt Service. Compliance with this covenant is calculated as follows:

	<u>2013</u>	<u>2012</u>
Net Revenues:		
Operating Income (Exhibit B)	\$ 1,373,393.73	\$ 1,054,517.48
Add: Depreciation Expense	2,179,705.46	2,117,014.78
Major Repairs & Other Expenses	480,066.38	338,864.79
OPEB Obligation	56,059.70	59,792.70
Interest Revenue	<u>11,133.85</u>	<u>27,684.97</u>
Total Net Revenues	<u>\$ 4,100,359.12</u>	<u>\$ 3,597,874.72</u>
Senior Bonds Debt Service		
Interest Charges (Schedule 10)	\$ 519,342.13	\$ 559,572.88
Bond Principal	<u>1,285,547.05</u>	<u>2,201,813.84</u>
Total Senior Bond Debt Service:	<u>\$ 1,804,889.18</u>	<u>\$ 2,761,386.72</u>
Net Revenues	<u>\$ 4,100,359.12</u>	<u>\$ 3,597,874.72</u>
Senior Bonds Debt Service	1,804,889.18	2,761,386.72
	<u>227.18%</u>	<u>130.29%</u>

This ratio meets the required debt service coverage of 100% for the Series I and J Revenue Bonds.

Junior Lien Bond Resolution

The Authority is further subject to the provisions and restrictions of the Junior Lien Bond Resolution adopted August 18, 2009 (the "Junior Lien Resolution"). Section 402 of the Junior Lien Resolution creates a direct and special obligation on the Authority where the full faith and credit of the Authority is pledged to the payment of principal and interest on the Junior Lien Bond authorized under the Junior Lien Resolution. However, the obligation of the Authority to apply revenues or other funds to the payment of principal and interest on the Junior Lien Bonds is subject to prior obligation of the Authority to apply such revenues or other funds to the payment of operating expenses. The pledge of revenues and other such funds is subordinate to the provisions of the Senior Bond Resolution and the lien and pledge created by the Senior Bond Resolution.

Note 3: DETAIL NOTES - ASSETS**Cash and Cash Equivalents**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. Although the Authority does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected 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 or funds that may pass to the Authority relative to the happening of a future condition. If the Authority had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2013 and 2012, the Authority's bank balances were exposed to custodial credit risk as follows:

	<u>2013</u>	<u>2012</u>
Insured by Federal Deposit Insurance Corporation	\$ 500,000.00	\$ 250,000.00
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>6,698,910.66</u>	<u>5,538,602.54</u>
Total	<u>\$ 7,198,910.66</u>	<u>\$ 5,788,602.54</u>

New Jersey Cash Management Fund - During the year, the Authority participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2012 the Authority's deposits with the New Jersey Cash Management Fund were \$1,607.16. The Authority closed its New Jersey Cash Management Fund account during 2013.

Investments

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. All of the Authority's \$4,103,323.35 as of December 31, 2013 and \$4,967,064.62 as of December 31, 2012 investments in treasury obligations and money market funds are held in the name of the Authority.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits the investments that the Authority may purchase such as treasury securities in order to limit the exposure of governmental units to credit risk. The Authority has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Authority does not place a limit on the amount that may be invested in any one issuer. All of the Authority's investments are either in treasury obligations or money market funds.

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Investments (Cont'd)**

As of December 31, 2013 and 2012, the Authority had the following investments and maturities:

<u>Investment</u>	<u>Maturity</u>	<u>Credit Rating</u>	<u>Fair Value</u> <u>December 31, 2013</u>	<u>Fair Value</u> <u>December 31, 2012</u>
Governmental Money Market	Demand	AAA	\$ 3,524,103.35	\$ 4,353,154.62
U.S. Treasury Bond	5/15/2016	N/A	579,220.00	613,910.00
			<u>\$ 4,103,323.35</u>	<u>\$ 4,967,064.62</u>

Service Fees

The following is a three-year comparison of service charge billings and collections for all types of accounts maintained by the Authority:

<u>Year</u>	<u>Beginning Balance</u>	<u>Billings</u>	<u>Total Collections</u>	<u>Percentage of Collections</u>
2013	\$ 724,060.19	\$ 7,308,018.79	\$ 7,243,647.25	90.18%
2012	689,819.59	7,168,662.75	7,134,422.15	90.79%
2011	705,502.17	7,102,019.78	7,117,702.36	91.16%

Capital Assets

During the year ended December 31, 2013 and 2012, the following changes in Capital Assets occurred:

	<u>Balance</u> <u>Jan. 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Land	\$ 1,254,200.00			\$ 1,254,200.00
Buildings	28,020,871.03	\$ 388,443.73		28,409,314.76
Major Moveable Equipment	472,092.96	42,420.15	\$ 6,399.00	508,114.11
Vehicles	853,633.44		11,270.56	842,362.88
Infrastructure	39,228,928.22	145,133.71	30,131.64	39,343,930.29
Total Historical Cost	69,829,725.65	575,997.59	47,801.20	70,357,922.04
Less Accumulated Depreciation	33,763,794.40	2,179,705.46	47,801.20	35,895,698.66
Capital Assets, Net	<u>\$ 36,065,931.25</u>	<u>\$ (1,603,707.87)</u>	<u>\$ -</u>	<u>\$ 34,462,223.38</u>

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Capital Assets (Cont'd)**

	<u>Balance</u> <u>Jan. 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Land	\$ 1,254,200.00			\$ 1,254,200.00
Buildings	27,440,844.68	\$ 580,026.35		28,020,871.03
Major Moveable Equipment	472,092.95			472,092.95
Vehicles	865,762.23	15,132.23	\$ 27,261.00	853,633.46
Infrastructure	38,508,377.55	797,209.86	76,659.20	39,228,928.21
Total Historical Cost	<u>68,541,277.41</u>	<u>1,392,368.44</u>	<u>103,920.20</u>	<u>69,829,725.65</u>
Less Accumulated Depreciation	<u>31,750,699.82</u>	<u>2,117,014.78</u>	<u>103,920.20</u>	<u>33,763,794.40</u>
Capital Assets, Net	<u>\$ 36,790,577.59</u>	<u>\$ (724,646.34)</u>	<u>\$ -</u>	<u>\$ 36,065,931.25</u>

Note 4: DETAIL NOTES – DEFERRED OUTFLOWS OF RESOURCES**Deferred Loss on Refunding**

In 2005, the Authority advanced refunded \$2,515,000.00 of the Series 1998G and \$6,470,000.00 of the Series 2001I Bonds. The Authority issued \$9,555,000.00 of Water-Sewer Revenue Refunding Bonds, Series 2005 J Bonds to provide resources to purchase U.S. government securities that were placed in irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds were considered to be defeased and the liability was removed from the financial statements. The refunded bonds were fully called on January 1, 2010.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$484,631.31. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations over the life of the refunding bonds using the straight line method. The advance refunding was undertaken to reduce total debt payments over 17 years by 464,399.75 and to obtain a present value economic gain of \$358,216.53.

The deferred outflow of resources for the deferred loss on refunding at December 31, 2013 and 2012 were \$345,552.69 and \$415,800.70, respectively.

Note 5: DETAIL NOTES - LIABILITIES**Compensated Absences**

Authority employees may accumulate unused sick days with no restrictions. Employees are compensated for accumulated sick leave upon retirement or resignation at one-half of their then current hourly rate of pay times the number of days accumulated, up to a maximum of \$15,000. Vacation days not used during the year may be carried forward for one year. Upon separation from the Authority, the employee will be paid for all accrued vacation time at their then current hourly rate. The accrued liability for accumulated sick leave and vacation time at December 31, 2013 and 2012 is estimated at \$408,165.44 and \$363,528.64, respectively.

Retirement Systems

The Authority contributes to a cost-sharing multiple-employer defined benefit pension plan, the Public Employees' Retirement System (PERS), which is administered by the New Jersey Division of Pensions and Benefits. In addition, several Authority employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Public Employees' Retirement System - The PERS was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Authority is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by Authority</u>
2013	\$ 78,881.00	\$ 156,933.00	\$ 235,814.00	\$ 235,814.00
2012	86,229.00	144,790.00	231,019.00	231,019.00
2011	97,445.00	129,721.00	227,166.00	227,166.00

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Willingboro Municipal Utilities Authority.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pension**

The Authority provides reimbursement of Medicare B premiums to employees that have retired from the Authority in addition to benefits provided through the State Pension Fund. The reimbursement for Medicare Part B deduction and the amount of the benefit is established by the Authority. GASB Statement 45 requires that accrued liabilities associated with the Medicare be recorded on the Authority's financial statements.

The State Pension Fund provides health benefits through the State Health Benefit Plan which is a cost-sharing multiple-employer defined benefit postemployment healthcare plan. As a result, GASB Statement 45 requires that the actuarial accrued liability for employee benefits are recorded as an obligation of the State Health Benefit Plan and not the Authority.

State Health Benefit Plan

Plan Description - The Authority contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Authority on a monthly basis. The Authority contributions to SHBP for the years ended December 31, 2013, 2012, and 2011, were \$259,947.464, \$216,535.54 and \$177,396.48 respectively, which equaled the required contributions for each year. There were approximately 14, 14, and 13 retired participants eligible at December 31, 2013, 2012, and 2011, respectively.

Authority's Plan – Medicare B Reimbursement

Plan Description - The Authority also provides Medicare Part B reimbursement to retirees and their covered dependents. The reimbursements are administered by the Authority; therefore, payments are made directly by the Authority to the retirees.

Funding Policy - The Authority presently funds its current retiree post employment benefit costs on a "pay-as-you-go" basis. The Authority's contributions to the plan for the years ended December 31, 2013, 2012, and 2011, were \$10,909.30 \$7,176.30 and \$7,126.80, respectively.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pension (Cont'd)****Authority's Plan – Medicare B Reimbursement (Cont'd)**

Annual OPEB Cost and Net OPEB Obligation - The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the Authority Plan, and changes in the Authority's net OPEB obligation to the Plan

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Normal cost	\$ 22,624.00	\$ 22,624.00	\$ 22,624.00
Amortization Payment	46,694.00	46,694.00	46,694.00
Annual required contribution (expense)	69,318.00	69,318.00	69,318.00
Interest on Net OPEB obligation	5,625.00	5,625.00	5,625.00
Adjustment to ARC	(7,974.00)	(7,974.00)	(7,974.00)
Annual OPEB Cost	66,969.00	66,969.00	66,969.00
Contributions Made	(10,909.30)	(7,176.30)	(7,126.80)
Net OPEB obligation - beginning of year	233,304.10	173,511.40	113,669.20
Net OPEB obligation - end of year	<u>\$ 289,363.80</u>	<u>\$ 233,304.10</u>	<u>\$ 173,511.40</u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>OPEB Cost Contributed</u>	<u>OPEB Obligation</u>
2012	\$ 69,318.00	15.74%	\$ 289,363.80
2011	69,318.00	10.35%	233,304.10
2010	66,260.00	10.76%	173,511.40

Funded Status and Funding Progress - As of July 1, 2010, the most recent actuarial valuation date, the Authority's Plan was 0% funded. The actuarial accrued liability for benefits was \$760,589, and the actuarial value of plan assets was \$0.00, resulting in an unfunded actuarial accrued liability (UAAL) of \$760,589. (For additional information, please refer to the "Required Supplementary Information Schedule of Funding Progress for Health Benefits Plan" shown at the end of the footnote section.) Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pension (Cont'd)****Authority's Plan – Medicare B Reimbursement (Cont'd)**

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The actuarial assumptions included the following: a discount rate of 4.5% on future benefit costs; turnover rate of 25.0% starting at age 25 decreasing to a rate of 0% at age 60; and lastly, the actual number of future retirees with dependants is used to determine dependent coverage. The remaining amortization period at December 31, 2013, was twenty-five years.

Revenue Bonds and Loans Payable - 2002 I, 2005 J, NJEIT 2008 K and NJEIT Junior Lien Series 2010

The Revenue Bonds Series 2002 I and 2005 J are direct obligations of the Authority. The Bonds are secured by a pledge on the Revenues derived by the Authority from the operation of its water supply and distribution facilities and its sewerage treatment facilities. The Bonds are further secured by the limited Service Agreement between the Authority and the Township (See Note 7).

The 2002 Series I Bonds were issued to provide funds to refund portions of the Authority's 1994 Series E Bonds and 1996 Series F Bonds and to pay for the cost of issuance. The Bonds were originally issued for \$7,605,000 and carry interest rates ranging from 2.5% to 4.0% with a final maturity in 2017.

The 2005 Series J Bonds were issued to advance refund the callable maturities of the Authority's 1998 Series G Bonds and the 2001 Series H Bonds and to pay certain costs related to the issuance of the Series J Bonds. The Bonds were originally issued for \$9,555,000 and carry interest rates ranging from 2.5% to 4.0% with a final maturity in 2021.

On November 9, 2008, the Authority closed on two loans from the New Jersey Environmental Infrastructure Trust (the "NJEIT Series 2008 K Bonds") totaling \$4,428,000 for the completion of emergency repairs to a sewer main. The first part of the loan award for \$2,198,000 is interest free. The \$2,230,000 portion carries interest rates that range from 5% to 5.5% with a final maturity in 2028.

On March 10, 2010, the Authority closed on four loans from the New Jersey Environmental Infrastructure Trust (the "NJEIT Junior Lien Series 2010") totaling \$4,787,982 for the completion of a micro-turbine facility, the installation of solar electric generating systems and the replacement of water main (the "2010 Project"). The total cost of the 2010 Project was \$9,533,946 and was financed with an interim loan of \$9,491,928.00 from the New Jersey Environmental Infrastructure Trust. Proceeds from the loan were used to retire the interim loan. In addition, the Authority received principal forgiveness under the federal government's American Resource and Recovery Act in the amount of \$4,745,964. Two parts of the loan award for \$2,372,982 are interest free. The remaining \$2,415,000 portion carries interest rates of 2.0% with a final maturity in 2029.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Revenue Bonds and Loans Payable - Series 2002 I, 2005 J, NJEIT 2008 K and NJEIT Junior Lien Series 2010 (Cont'd)****Maturities of the Series 2002 I and 2005 J:**

	<u>Bond Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2014	\$ 900,000.00	\$ 308,365.63	\$ 1,208,365.63
	2015	930,000.00	274,237.50	1,204,237.50
	2016	965,000.00	237,700.00	1,202,700.00
	2017	1,005,000.00	198,500.00	1,203,500.00
	2018	1,045,000.00	157,500.00	1,202,500.00
	2019-2023	3,415,000.00	208,300.00	3,623,300.00
		8,260,000.00	<u>\$ 1,384,603.13</u>	<u>\$ 9,644,603.13</u>
Adjustments:				
Premium on Bonds		12,792.90		
Discount on Bonds		<u>(1,001.52)</u>		
		<u>\$ 8,271,791.38</u>		

Maturities of the Series NJEIT 2008 K and Junior Lien NJEIT Junior Lien Series 2010:

<u>Year Ending December 31,</u>	<u>Interest Free Loan Principal</u>	<u>Interest Portion</u>			<u>Total</u>
		<u>Rates</u>	<u>Principal</u>	<u>Interest</u>	
2014	\$ 240,999.90	5.00%	\$ 185,000.00	\$ 157,950.00	\$ 342,950.00
2015	238,282.82	5.00%	190,000.00	148,700.00	338,700.00
2016	238,584.72	5.00%	195,000.00	139,200.00	334,200.00
2017	238,735.66	5.00%	210,000.00	129,450.00	339,450.00
2018	238,735.66	5.00%	220,000.00	118,950.00	338,950.00
2019-2023	1,199,686.10	3.00% - 5.50%	1,285,000.00	423,750.00	1,708,750.00
2024-2028	1,200,622.19	4.00% - 5.00%	985,000.00	135,150.00	1,120,150.00
2028-2029	127,124.31				
	<u>\$ 3,722,771.36</u>		<u>\$ 3,270,000.00</u>	<u>\$ 1,253,150.00</u>	<u>\$ 4,523,150.00</u>

Note 6: DETAIL NOTES – NET POSITION

Net Position Appropriated

As of December 31, 2013, the Authority had a balance an unrestricted net position balance of \$4,759,449.81, which included an unrestricted water deficit of \$323,211.13. The Authority’s 2014 budget, which was formulated prior to year end, appropriated unrestricted net assets of \$100,000.00 for water operating budget, \$100,000.00 for water capital budget, \$100,000.00 for sewer operating budget, and \$530,000.00 for sewer capital budget were appropriated for the year ending December 31, 2014.

As of December 31, 2012, the Authority had a balance an unrestricted net position balance of \$4,504,024.24, which included an unrestricted water deficit of \$632,573.10. The Authority’s 2013 budget, which was formulated prior to year end, appropriated unrestricted net assets of \$123,437.00 for water operating and \$530,000.0000 for sewer capital were appropriated for the year ending December 31, 2013.

Note 7: INTERGOVERNMENTAL AGREEMENTS

Major Customer

The Authority derives a significant portion of its total service fees from Mount Laurel Township Municipal Utilities Authority (MLTMUA). Since the charges are based upon the flow from the system, the Authority’s revenues are subject to large fluctuations from one customer. A comparison of billings is shown below:

<u>Year</u>	<u>MLTMUA Water Billings</u>	<u>Total Water Billings</u>	<u>Percentage</u>
2013	\$ 1,097,544.03	\$ 4,904,773.74	22.38%
2012	1,239,417.41	4,450,987.01	27.85%
2011	1,268,342.28	4,462,784.44	28.42%

Edgewater Park Agreement

The Authority entered into a forty year agreement with Edgewater Park Sewerage Authority on December 4, 1965, in which the Authority agreed to accept for appropriate treatment and disposal through its facilities, the sewage and industrial waste collected in Edgewater Park Township. In exchange, Edgewater Park Sewerage Authority annually pays to the Authority:

- a) Residential Accounts – An amount equal to that charged to Willingboro Township residents less \$4.50.
- b) Commercial Accounts – The same per gallon charge currently billed to a Willingboro Township commercial customer.

Mount Laurel Service Agreement

The Authority, the Mount Laurel Township Municipal Utilities Authority (MLTMUA), and the Evesham Municipal Utilities Authority (EMUA) signed an agreement dated April 19, 1989 for the purchase and sale of potable water. The Authority sells bulk water to MLTMUA, which in turn sells a portion to EMUA.

Under the agreement the Authority must make available 5 million gallons per day and the MLTMUA must purchase a minimum of 67.5 million gallons per annual quarter. The charge imposed by the Authority is based on metered flow at the lowest prevailing Authority potable water service charge, plus 25%.

The agreement was made for an initial term of five years and is automatically renewed for five year terms unless written notice is given at least two years prior to the end of the then existing term by any of the principals to the agreement.

Note 7: INTERGOVERNMENTAL AGREEMENTS (CONT'D)**Township of Willingboro Service Agreement**

A Service Agreement was entered into on June 15, 1990 between the Authority and the Township. Under the Service Agreement, the Township agrees to pay any shortfall the Authority may encounter in making payments for either Operating Expenses and/or Debt Service (Annual Charges).

The purpose of this agreement is to grant temporary relief to the Authority should it experience difficulty in meeting its obligations. The agreement calls for the Township to be reimbursed for any Annual Charges paid by the Township when the Authority's operations permit. Ultimately, all Operating Expenses and Debt Service of the Authority are borne by revenues of the system.

Note 8: COMMITMENTS AND CONTINGENCIES**Commitments**

The Authority had several outstanding or planned construction projects as of December 31, 2013. These projects are evidenced by contractual commitments with contractors and include:

<u>Project</u>	<u>Awarded</u>	<u>Commitment Remaining</u>
Lining of Windsor Interceptor	<u>\$ 273,005.50</u>	<u>\$ 20,707.44</u>

Litigation

The Authority is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Authority, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 9: DEFERRED COMPENSATION SALARY ACCOUNT

The Authority offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Authority or its creditors. Since the Authority does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Authority's financial statements.

Note 10: 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. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded coverage for the past several years.

Note 11: PRIOR YEAR FINANCIAL STATEMENTS**Prior Year Adjustment - Correction of an Error**

For the year ended December 31, 2012 the credit received from NJEIT was overstated. This resulted in Loans Payable being understated and Net Investment in Capital Assets overstated. The adjustment is detailed below:

Summary Statement of Net Position As of December 31, 2012			
	Previously Reported	Prior Period Adjustment	Restated
Assets			
Current Assets			
Unrestricted Assets	\$ 7,907,667.06		\$ 7,907,667.06
Restricted Assets	4,412,790.70		4,412,790.70
Capital Assets	36,190,448.76		36,190,448.76
Total Assets	48,510,906.52	-	48,510,906.52
Deferred Outflows of Resources			
Deferred Loss on Defeasance of Debt	415,800.70		415,800.70
Total Deferred Outflows of Resources	415,800.70	-	415,800.70
Liabilities			
Current Liabilities	2,477,005.12		2,477,005.12
Long-term Liabilities			
Compensated Absences Payable	363,528.64		363,528.64
OPEB Liability	233,304.10		233,304.10
Loans Payable	6,880,542.36	\$ 112,229.00	6,992,771.36
Bonds Payable	8,273,285.09		8,273,285.09
Total Liabilities	18,227,665.31	112,229.00	18,339,894.31
Net Position			
Net Investment in Capital Assets	20,281,357.66	(112,229.00)	20,169,128.66
Restricted	5,913,660.01		5,913,660.01
Unrestricted	4,504,024.24		4,504,024.24
Total Net Position	\$ 30,699,041.91	\$ (112,229.00)	\$ 30,586,812.91

Note 12: SUBSEQUENT EVENTS

Subsequent to December 31, 2013, the Authority authorized additional Loans through the New Jersey Environmental Infrastructure Trust as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Digester Cleaning and Repair and Trickling Filter Walkway Grating	January 15, 2014	\$ 2,051,943.00
Lake Drive and Beechnut Lane Pumping Station Replacements	January 15, 2014	<u>1,133,729.00</u>
		<u><u>\$ 3,185,672.00</u></u>