

PASSAIC COUNTY UTILITIES AUTHORITY

SUMMARY OF SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Summary of synopsis of audit report of the Passaic County Utilities Authority for the fiscal years ended December 31, 2011 and 2010 as required by N.J.S. 40A:5A-16.

	Fiscal Years Ended	
	December 31, 2011	December 31, 2010
<u>ASSETS</u>		
Unrestricted Current Assets:		
Cash, Cash Equivalents and Investments	93,258	93,258
Accounts and Accrued Items Receivable	16,001	16,001
	<u>109,259</u>	<u>109,259</u>
Property, Plant and Equipment		
Other Assets	<u>633,320</u>	<u>658,744</u>
Total Assets	<u><u>742,579</u></u>	<u><u>768,003</u></u>
<u>LIABILITIES</u>		
Current Liabilities		
Current Liabilities Payable from Unrestricted Assets	2,028,465	2,004,107
Current Liabilities Payable from Restricted Assets	2,387,898	2,363,244
Long Term Debt, Net of Current Portion	<u>57,930,111</u>	<u>59,387,677</u>
Total Liabilities	<u><u>62,346,474</u></u>	<u><u>63,755,028</u></u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	(58,741,791)	(60,128,933)
Unrestricted Net Assets	<u>(2,862,104)</u>	<u>(2,858,092)</u>
Total Net Assets	<u><u>(61,603,895)</u></u>	<u><u>(62,987,025)</u></u>

PASSAIC COUNTY UTILITIES AUTHORITY

COMPARATIVE STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN FUND EQUITY

*Summary of synopsis of audit report of the Passaic County Utilities Authority for the
fiscal years ended December 31, 2011 and 2010 as required by N.J.S. 40A:5A-16.*

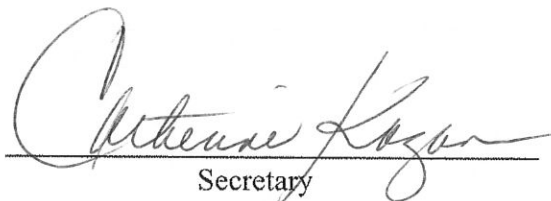
	Fiscal Years Ended	
	December 31, 2011	December 31, 2010
Interest Income		
Other Non-Operating Revenue	4,300,008	4,321,350
Total Operating Revenue	4,300,008	4,321,350
Operating and Maintenance Expenses:		
Other Expenses	(52,587)	(49,221)
Total Operating Expenses	(52,587)	(49,221)
Non-Operating Expenses:		
Interest Expense	(2,838,867)	(2,897,727)
Other Non-Operating Expenses	(25,424)	(25,424)
	(2,864,291)	(2,923,151)
Change in Net Assets	1,383,130	1,348,978
Net Assets, January 1	(62,987,025)	(64,336,003)
Net Assets, December 31	(61,603,895)	(62,987,025)

RECOMMENDATIONS

1. The proper classification of expenditures should be carefully reviewed prior to entering into the check register.
2. That transactions of the Authority bank accounts be properly recorded on a timely basis.
3. The Authority should review all old accounts receivable and account payable balances.

The above summary or synopsis was prepared from the report of audit of the Passaic County Utilities Authority, County of Passaic, for the calendar year 2011. This report of audit, submitted by Steven D. Wielkocz, Registered Municipal Accountant of the firm of Ferraioli, Wielkocz, Cerullo & Cuva P.A., is on file at the Authority's office and may be inspected by any interested person.

A corrective action plan, which outlines actions the Passaic County Utilities Authority will take to correct the findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file with Passaic County Utilities Authority, Secretary at the Passaic County Utilities Authority, Paterson, New Jersey 07505 within 60 days from the date of receipt of the audit report by the Authority.


Secretary

PASSAIC COUNTY UTILITIES AUTHORITY

RESOLUTION

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of each local Authority to cause an annual audit of its accounts to be made, and

WHEREAS, the annual audit report for the fiscal year ended December 31, 2011 has been completed and filed with the Governing Body and the Director of the Division of Local Government Services pursuant to N.J.S.A. 40A:5A-15, and

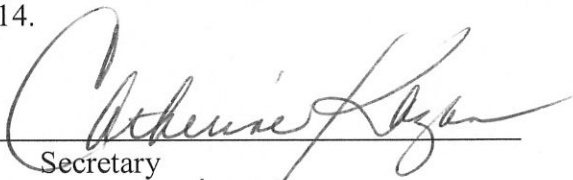
WHEREAS, N.J.S.A. 40A:5A-17 requires the governing body of each Authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled "General Comments" and "Recommendations", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board, and

WHEREAS, the members of the governing body have received the annual audit and have personally reviewed the annual audit, and have specifically reviewed the sections of the annual audit report entitled "General Comments" and "Recommendations" in accordance with N.J.S.A. 40A:5A-17,

NOW, THEREFORE BE IT RESOLVED, that the governing body of the Passaic County Utilities Authority hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended December 31, 2011, and specifically has reviewed the sections of the audit report entitled "General Comments" and "Recommendations", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED that the Secretary of the Authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution.

IT IS HEREBY CERTIFIED THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON June 17, 2014.


Secretary

6/17/14
Date

LOCAL AUTHORITIES
GROUP AFFIDAVIT FORM

PRESCRIBED BY
THE NEW JERSEY LOCAL FINANCE BOARD

AUDIT REVIEW CERTIFICATE

We, the members of the governing body of the Passaic County Utilities Authority, being of full age and being duly sworn according to law, upon our oath depose and say:

1. We are duly appointed members of the Passaic County Utilities Authority.
2. We certify, pursuant to N.J.S.A. 40A:5A-17, that we have each reviewed the annual audit report for the fiscal year ended December 31, 2011 and specifically the sections of the audit report entitled "General Comments" and "Recommendations"

(Print)

(Signature)

Nada Basmouk

Michael Hanrahan

Teofilo Javier

Catherine Kazan

Gary Marchese

Clark Okun

Haresh Shah

Mohammad Qudah

Nada Basmouk

Michael J. Hanrahan

Teofilo Javier

Catherine Kazan

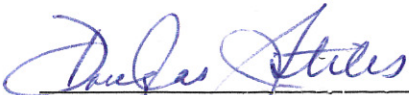
Gary Marchese

Clark Okun

H. Shah

Sworn to and subscribed before me

this 17th day of June, 2014



Notary Public of New Jersey

DOUGLAS J. STILES
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JUNE 10, 2018

PASSAIC COUNTY UTILITIES AUTHORITY

SUMMARY OF SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Summary of synopsis of audit report of the Passaic County Utilities Authority for the fiscal years ended December 31, 2012 and 2011 as required by N.J.S. 40A:5A-16.

	Fiscal Years Ended	
	Dec. 31, 2012	Restated Dec. 31, 2011
<u>ASSETS</u>		
Current Assets:		
Cash, Cash Equivalents and Investments	93,258	93,258
Accounts and Accrued Items Receivable	16,001	16,001
	<u>109,259</u>	<u>109,259</u>
Capital Assets:		
Property, Plant and Equipment - Net		
Total Assets	<u>109,259</u>	<u>109,259</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Debits	<u>3,064,072</u>	<u>236,791</u>
Total Deferred Outflows of Resources	<u>3,064,072</u>	<u>236,791</u>
<u>LIABILITIES</u>		
Current Liabilities		
Current Liabilities Payable from Unrestricted Assets	2,042,640	2,028,465
Current Liabilities Payable from Restricted Assets	2,688,323	2,387,898
Long Term Debt, Net of Current Portion	58,685,000	57,635,000
Total Liabilities	<u>63,415,963</u>	<u>62,051,363</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unamortized Gain on Refunding	<u>282,545</u>	<u>295,111</u>
Total Deferred Inflows of Resources	<u>282,545</u>	<u>295,111</u>
<u>NET POSITION</u>		
Invested in Capital Assets, Net of Related Debt	(57,918,473)	(59,138,320)
Unrestricted	<u>(2,606,704)</u>	<u>(2,862,104)</u>
Total Net Position	<u>(60,525,177)</u>	<u>(62,000,424)</u>

PASSAIC COUNTY UTILITIES AUTHORITY

**COMPARATIVE STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION**

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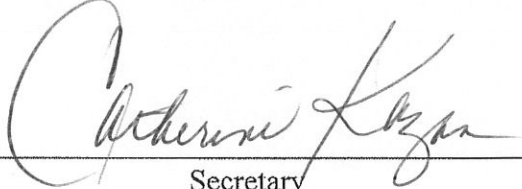
	Fiscal Years Ended	
	<u>Dec. 31, 2012</u>	<u>Restated Dec. 31, 2011</u>
Operating Revenues (Expenses):		
Other Expenses	<u>(37,277)</u>	<u>(52,587)</u>
Total Operating Income (Loss)	<u>(37,277)</u>	<u>(52,587)</u>
Nonoperating Revenue (Expenses):		
County of Passaic Agreement	4,268,475	4,287,442
Other Nonoperating Revenues	17,040	12,566
Interest Expense	(2,535,272)	(2,838,867)
Bond Issuance Costs	(185,606)	
Other Nonoperating Expenses	<u>(52,113)</u>	<u>(9,137)</u>
Total Operating Expenses	<u>1,512,524</u>	<u>1,452,004</u>
Change in Net Position	1,475,247	1,399,417
Net Positon, January 1	(62,000,424)	(62,987,025)
Cumulative Effect of Change in Accounting Principle (Implementation of GASB No. 65)	<u> </u>	<u>(412,816)</u>
Net Position, December 31	<u><u>(60,525,177)</u></u>	<u><u>(62,000,424)</u></u>

RECOMMENDATIONS

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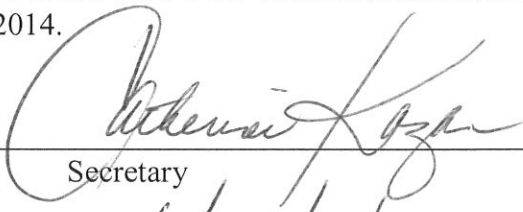
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Catherine Kazan

Gary Marchese

Clark Okun

Haresh Shah

Mohammad Qudah

Sworn to and subscribed before me
this 17th day of June, 2014

Douglas J. Stiles

Notary Public of New Jersey

DOUGLAS J. STILES
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JUNE 19, 2018