

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, 2016 and 2015 as required by N.J.S. 40A:5A-16.

	<u>Fiscal Years Ended</u>	
	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents - Unrestricted	29,876	307,781
Cash and Cash Equivalents - Restricted	1,330,000	
	<u>1,359,876</u>	<u>307,781</u>
Capital Assets:		
Property, Plant and Equipment - Net		
Total Assets	<u>1,359,876</u>	<u>307,781</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Debits	<u>2,594,952</u>	<u>2,736,041</u>
Total Deferred Outflows of Resources	<u>2,594,952</u>	<u>2,736,041</u>
<u>LIABILITIES</u>		
Current Liabilities		
Current Liabilities Payable from Unrestricted Assets	1,848,205	1,795,985
Current Liabilities Payable from Restricted Assets	3,432,481	2,731,295
Long Term Debt, Net of Current Portion	51,080,000	53,170,000
Total Liabilities	<u>56,360,686</u>	<u>57,697,280</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unamortized Gain on Refunding	<u>232,283</u>	<u>244,848</u>
Total Deferred Inflows of Resources	<u>232,283</u>	<u>244,848</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	(50,807,331)	(52,718,807)
Restricted	665,000	
Unrestricted	<u>(2,495,810)</u>	<u>(2,179,499)</u>
Total Net Position	<u>(52,638,141)</u>	<u>(54,898,306)</u>

PASSAIC COUNTY UTILITIES AUTHORITY

COMPARATIVE STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION

*Summary of synopsis of audit report of the Passaic County Utilities Authority for the
fiscal years ended December 31, 2016 and 2015 as required by N.J.S. 40A:5A-16.*

	<u>Fiscal Years Ended</u>	
	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>
Operating Revenues (Expenses):		
Other Expenses	<u>(32,732)</u>	<u>(38,302)</u>
Total Operating Income (Loss)	<u>(32,732)</u>	<u>(38,302)</u>
Nonoperating Revenue (Expenses):		
County of Passaic Agreement	3,847,239	4,132,239
Other Nonoperating Revenues	13,317	12,569
Interest Expense	(2,039,350)	(2,079,893)
Bond Issuance Costs	(105,000)	
Forward Bond Purchase Agreement	717,500	
Cancellation of Payables / Receivables	280	190,182
Other Nonoperating Expenses	<u>(141,089)</u>	<u>(141,089)</u>
Total Operating Expenses	<u>2,292,897</u>	<u>2,114,008</u>
Change in Net Position	2,260,165	2,075,706
Net Position, January 1	<u>(54,898,306)</u>	<u>(56,974,012)</u>
Net Position, December 31	<u>(52,638,141)</u>	<u>(54,898,306)</u>

RECOMMENDATIONS

None

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 2016. This report of audit, submitted by Steven D. Wielkotz, Registered Municipal Accountant of the firm of Ferraioli, Wielkotz, 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, 2016 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

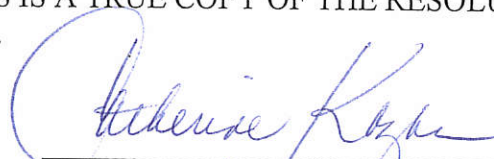
WHEREAS, N.J.S.A. 40A:5A-17 requires the governing body of each Authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled "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, 2016, 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 March 22, 2017.



Secretary
3/22/17

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, 2016 and specifically the sections of the audit report entitled "General Comments" and "Recommendations"

(Print)

CATHERINE KAZAN
GARY MARCHESE SR
TEOFILO JAVIER
Nada Basmouk
Michael J. Hanrahan

(Signature)

Catherine Kazan
Gary Marchese Sr.
Nada Basmouk
Michael J. Hanrahan

Sworn to and subscribed before me

this 22nd day of March, 2017

Carol Z. Bernal
Notary Public of New Jersey

CAROL Z. BERNAL
A NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES OCTOBER 9, 2018