

SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
STATEMENT OF NET ASSETS
DECEMBER 31,

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Current Assets:		
Unrestricted:		
Cash and Cash Equivalents	\$ 6,873,272	\$ 6,533,938
Accounts Receivable	30,710	97,710
Accrued Interest Receivable		
Prepaid Expenses	4,000	4,000
Total Current Assets	<u>6,907,982</u>	<u>6,635,648</u>
Restricted Assets:		
Cash and Cash Equivalents	\$ 3,686,380	\$ 5,745,527
Deposits Held by Clerk of Superior Court	7,200	7,200
NJ Envir. Infrastructure Trust/Fund Receivable	294,848	294,848
Total Restricted Assets	<u>3,988,428</u>	<u>6,047,575</u>
Capital Assets:		
Property, Plant and Equipment	57,929,166	56,384,665
Less: Accumulated Depreciation	(29,976,525)	(28,497,476)
Construction in Progress	1,729,422	1,268,608
Net Capital Assets	<u>29,682,063</u>	<u>29,155,797</u>
Other Assets:		
Unamortized Debt Issue Costs	181,967	194,454
TOTAL ASSETS	<u>\$ 40,760,440</u>	<u>\$ 42,033,474</u>

SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
STATEMENT OF NET ASSETS
DECEMBER 31,

	<u>2009</u>	<u>2008</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Payable From Unrestricted Assets:		
Accounts and Accrued Liabilities		
Payable - Operations	\$ 334,187	\$ 206,466
Deferred Revenue	3,185,163	3,176,989
	<u>3,519,350</u>	<u>3,383,455</u>
Payable From Restricted Assets:		
Accounts Payable	13,129	18,240
Revenue Bonds, Due Within One Year	875,000	865,000
NJ Envir. Infrastructure Bonds, Due within one Yr.	276,495	271,982
Accrued Interest Payable	319,236	343,257
	<u>1,483,860</u>	<u>1,498,479</u>
Total Current Liabilities	<u>5,003,210</u>	<u>4,881,934</u>
Non-Current Liabilities:		
Compensated Absences	230,960	204,173
Long Term Portion of NJEIT Bonds Payable	4,360,015	4,636,511
Long Term Portion of Revenue Bonds Payable	11,888,885	12,769,303
	<u>16,479,860</u>	<u>17,609,987</u>
Total Liabilities	<u>\$ 21,483,070</u>	<u>\$ 22,491,921</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, net of Related Debt	\$ 13,104,313	\$ 11,102,303
Restricted for:		
Unemployment Compensation Insurance	42,867	40,018
Construction Fund	574,533	2,586,544
Bond Reserve Fund	1,417,034	1,450,284
Renewal and Replacement	500,000	500,000
Current Debt Service	875,000	865,000
Unrestricted:		
Designated	1,424,896	1,099,711
Undesignated	1,338,727	1,897,693
TOTAL NET ASSETS	<u><u>\$ 19,277,370</u></u>	<u><u>\$ 19,541,553</u></u>

SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
DECEMBER 31,

	<u>2009</u>	<u>2008</u>
Operating Revenue:		
Sewerage Use Charges	\$ 5,577,605	\$ 5,220,158
Connection Fees	147,716	133,177
Review Fees	1,551	4,239
NJEIT Project Charges	445,837	447,862
Miscellaneous Income	2,415	43,321
	<u>6,175,124</u>	<u>5,848,757</u>
Operating Expenses:		
Personnel Costs	1,565,091	1,514,730
Administrative Expenses	1,143,059	1,120,980
Office Expense	44,355	41,325
Plant Operations and Maintenance	1,343,337	1,527,604
Systems Operations and Maintenance	336,915	261,554
Depreciation	1,516,603	1,418,259
	<u>5,949,360</u>	<u>5,884,452</u>
Operating Income	<u>225,764</u>	<u>(35,695)</u>
Non-Operating Revenue (Expenses):		
Interest Income	120,120	291,183
Net increase in unemployment reserve	2,849	1,129
Increase in Asset Management	50,000	
Cancellation of Accounts Payable		50,000
Bond Interest Expense	(655,847)	(699,551)
Amortization of Debt Issue Costs	(21,756)	(20,988)
Amortization of Premium on Bond	14,687	14,347
	<u>(489,947)</u>	<u>(363,880)</u>
Change In Net Assets	<u>(264,183)</u>	<u>(399,575)</u>
Net Assets - January 1	<u>19,541,553</u>	<u>19,941,128</u>
Net Assets - December 31	<u>\$ 19,277,370</u>	<u>\$ 19,541,553</u>

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED
DECEMBER 31,**

EXHIBIT C
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	2009	2008
Cash Flows From Operating Activities		
Receipts From Customers and Users	\$ 6,246,332	\$ 5,949,478
Payments to Employees	(1,535,455)	(1,451,337)
Payments to Suppliers	(2,689,946)	(2,957,545)
Other Operating Receipts	3,966	47,560
Net Cash Provided by Operating Activities	2,024,897	1,588,156
 Cash Flows From Capital and Related Financing Activities		
Acquisition of Capital Assets	(2,042,869)	(1,042,627)
Principal Paid on Debt	(1,136,982)	(1,112,308)
Interest Paid on Debt	(679,868)	(719,810)
Payment on restricted liabilities	(5,111)	(9,624)
Net Cash Provided By Capital and Related Financial Activities	(3,864,830)	(2,884,369)
 Cash Flows from Investing Activities:		
Interest Income	120,120	291,183
Net Cash Provided By Investing Activities	120,120	291,183
 Net (Decrease)/Increase in Cash and Cash Equivalents	(1,719,813)	(1,005,030)
 Balance - Beginning of the Year	12,279,465	13,284,495
 Balance - End of the Year	\$ 10,559,652	\$ 12,279,465
 Reconciliation to Balance Sheet:		
Unrestricted	\$ 6,873,272	\$ 6,533,938
Restricted	3,686,380	5,745,527
	10,559,652	12,279,465

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STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED
DECEMBER 31,

EXHIBIT C
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	<u>2008</u>	<u>2007</u>
Reconciliation of Operating Income Net Cash		
Provided By Operating Activities:		
Operating Income	\$ 225,764	\$ (35,695)
Adjustments To Reconcile Operating Income To		
Net Cash Provided By Operating Activities:		
Depreciation Expense	<u>1,516,603</u>	<u>1,418,259</u>
	<u>1,742,367</u>	<u>1,382,564</u>
Changes In Net Assets And Liabilities		
Cancellation of Accounts Payable	50,000	50,000
Increase in Unemployment Reserve	2,849	1,129
Decrease in Accounts Receivable	67,000	-
Accrued Expenses	26,787	13,393
Accounts And Other Payables	127,720	(7,211)
Deferred Revenue	<u>8,174</u>	<u>148,281</u>
	<u>282,530</u>	<u>205,592</u>
Net Cash Provided By Operating Activities	<u><u>2,024,897</u></u>	<u><u>1,588,156</u></u>