

**CAMDEN COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**REPORT OF AUDIT**

**WITH  
SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED  
DECEMBER 31, 2014 AND 2013**

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
**TABLE OF CONTENTS**

<u>Exhibit No.</u>		<u>Page No.</u>
	Roster of Officials	1
<b><u>PART 1 - FINANCIAL SECTION</u></b>		
	Independent Auditor's Report	3
	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	6
	Management Discussion and Analysis	8
	<u>Basic Financial Statements</u>	
A	Comparative Statements of Net Position	16
B	Comparative Statements of Revenues, Expenses and Changes in Net Position	18
C	Comparative Statements of Cash Flows	19
	Notes to Financial Statements	21
	<u>Supplementary Schedules</u>	
<u>Schedule No.</u>		
1	Combining Schedule of Revenues, Expenses and Changes in Net Position	47
2	Schedule of Cash Receipts, Cash Disbursements and Changes in Cash, Cash Equivalents and Investments	48
3	Schedule of Sewer Operations--Revenues, Operating Appropriations, Principal Payments and Non-Operating Appropriations Compared to Budget	49
4	Analysis of Investment Income Receivable	51
5	Schedule of Revenue Bonds Payable	52
6	Schedule of Loans Payable	57
7	Schedule of Capital Appreciation Bonds	67
<b><u>PART 2 - SINGLE AUDIT SECTION</u></b>		
	Independent Auditor's Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required By OMB Circular A-133 and State of New Jersey Circular 15-08-OMB	69
A	Schedule of Expenditures of Federal Awards	71
B	Schedule of Expenditures of State Financial Assistance	73
	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	75

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY  
TABLE OF CONTENTS**

---

<u>Exhibit No.</u>	<u>Page No.</u>
<b><u>PART 3 - SCHEDULE OF FINDINGS AND QUESTIONED COSTS</u></b>	
<u>Schedule of Findings and Questioned Costs</u>	
Section 1 - Summary of Auditor's Results	77
Section 2 - Schedule of Financial Statement Findings	79
Section 3 - Schedule of Federal Awards Findings and Questioned Costs	80
Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs	81
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	82
<b>APPRECIATION</b>	83

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**

Roster of Officials  
December 31, 2014

---

**Commissioners**

**Position**

Michael G. Brennan  
James MacFarlane  
Dorothy A. Burley  
Herman B. Engelbert  
James Bresch  
Doreen A. Dixon  
Jeffrey S. Swartz  
K. K. Wu  
Jonathan L. Young, Sr.

Chairman  
Vice – Chairman  
Treasurer  
Commissioner  
Commissioner  
Commissioner  
Commissioner  
Commissioner  
Commissioner

**Other Officials**

**Position**

Andrew Kricun  
Kim Michelini  
Wayne Planamento  
Robert Cornforth  
John J. Connolly, Jr.  
Laurence E. Rosoff, Esquire  
Bank of New York (NJ)

Executive Director / Chief Engineer  
Authority Secretary  
Chief Financial Officer  
Director of Operations and Maintenance  
Director of Operations and Maintenance, Wastewater Treatment  
Solicitor  
Trustee

**CAMDEN COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**PART 1**

**FINANCIAL SECTION**

**FOR THE YEARS ENDED  
DECEMBER 31, 2014 AND 2013**

## **INDEPENDENT AUDITOR'S REPORT**

The Chairman and Commissioners of  
Camden County Municipal Utilities Authority  
Camden County, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, a component unit of the County of Camden, as of and for the years ended December 31, 2014 and 2013 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions 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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with 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 opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey as of December 31, 2014 and 2013, and the changes in its 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 Matters**

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules as listed in the table of contents and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated June 8, 2015 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Respectfully submitted,

*Bowman & Company LLP*  
BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
June 8, 2015



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

The Chairman and Commissioners of  
Camden County Municipal Utilities Authority  
Camden County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, a component unit of the County of Camden, (Authority), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 8, 2015.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


**Compliance and Other Matters**

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

**Purpose of this Report**

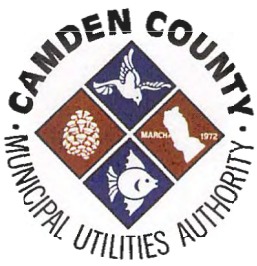
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
June 8, 2015



# THE CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

1645 Ferry Avenue • Camden, NJ 08104  
Phone (856) 541-3700 • Fax (856) 964-1829  
[www.ccmua.org](http://www.ccmua.org)

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### INTRODUCTION TO THE ANNUAL REPORT

The following Management's Discussion and Analysis (MD&A) of the Camden County Municipal Utilities Authority provides an introduction to the financial statements of the Authority for the year ended December 31, 2014. The financial section of the annual report consists of three sections: Management's Discussion and Analysis (this section), the basic financial statements together with the notes thereto and supplemental information. The financial statements section provides comparisons between current and prior years' results as well as budgeted and actual results on a supplemental schedule.

The Authority's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America, promulgated by the Governmental Accounting Standards Board. The Authority is structured as a single enterprise fund with revenues recognized when earned and expenses recognized when incurred. Capital assets are capitalized and depreciated over their useful lives (with the exception of land and construction in progress). See notes to the financial statements for a summary of the Authority's significant accounting policies.

### THE FINANCIAL STATEMENTS

The "Statements of Net Position" provide information about the nature and amounts of investments in resources (assets) and the obligations to Authority's creditors (liabilities) with the difference reported as net position.

The "Statements of Revenues, Expenses and Changes in Net Position" account for all of the current year's revenues and expenses, measures the success of the Authority's operations over the past two years and can be used to determine how the Authority has funded its costs.

The "Statements of Cash Flows" provide information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

The "Notes to Financial Statements" contain information that is essential to understanding the basic financial statements, such as the Authority's accounting methods and policies. The details of contractual obligations and future commitments and contingencies of the Authority are also included. Likewise, any other events or developing situations that could materially affect the Authority's financial position are noted.

### SUPPLEMENTARY INFORMATION

This section provides presentations of the Authority's financial information in accordance with the requirements of the various Bond Resolutions.



Making It Better, Together.

[www.camdencounty.com](http://www.camdencounty.com)

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Authority's financial statements, the Management's Discussion and Analysis (MD&A), presents an overview of the Authority's financial performance during the year ended December 31, 2014 compared to December 31, 2013 and December 31, 2012. It provides an assessment of how the Authority's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Authority's overall financial position. It may contain opinions, assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements described above.

### **SUMMARY OF FINANCIAL POSITION**

	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>ASSETS</b>			
Unrestricted Assets:	\$ 19,396,786	\$ 17,008,552	\$ 24,150,712
Restricted Assets:	47,626,687	71,071,790	119,082,125
Plant Property & Equipment, Net of Accumulated Depreciation	501,202,404	513,185,276	498,003,699
Other Capital Assets, Net of Accumulated Depreciation	10,939,856	11,890,435	11,000,979
Total Assets	<u>579,165,733</u>	<u>613,156,053</u>	<u>652,237,515</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>134,153</u>	<u>298,697</u>	<u>821,555</u>
<b>LIABILITIES</b>			
Current Liabilities	73,178,708	73,022,570	74,460,147
Total Long-Term Liabilities	252,023,159	298,819,926	339,441,197
Total Liabilities	<u>325,201,867</u>	<u>371,842,496</u>	<u>413,901,344</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>624,599</u>	<u>832,471</u>	<u>1,056,727</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	240,851,180	226,272,013	177,214,892
Restricted for Bond Covenants	1,754,851	7,706,411	46,691,521
Unrestricted	10,867,389	6,801,359	14,194,586
Total Net Position	<u>\$ 253,473,420</u>	<u>\$ 240,779,783</u>	<u>\$ 238,100,999</u>

## **CHANGES IN FINANCIAL POSITION**

The Authority's net position increased by 5.27% from 2013 and increased from 2012 by 6.46%. The increase from 2014 and 2013 was due to the continued pay down of long term debt.

The use of a forward supply contract allowed Unrestricted Assets to increase 14.04% from the prior year.

The Authority's Bond Resolutions and the State Regulations govern Restricted Assets. The category Restricted Assets decreased by 32.99% from 2013 and decreased by 60.00% from 2012 due to a decrease in Cash Held by Fiscal Agent as well as a decrease in restricted investments as the Authority used the Debt Service Reserve Fund and Special Reserve Fund to pay down the debt after a letter of credit had been obtained in the amount of \$22 million.

The decrease in Long-Term Liabilities comes primarily from pay down of debts in the form of Bonds and Loans. The Authority continues to reduce its outstanding debt from its User Revenues, Debt Service Reserve Fund and the Special Reserve Fund as required by the Bond Resolution.

## CHANGES IN NET POSITION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>OPERATING REVENUE</b>			
User Charges and Fees	\$ 80,687,686	\$ 78,048,926	\$ 75,259,849
Other Revenue	7,512,213	5,329,478	6,307,821
Total Operating Revenues	<u>88,199,899</u>	<u>83,378,404</u>	<u>81,567,670</u>
<b>OPERATING EXPENSES</b>			
Administration	7,113,141	6,238,581	5,712,236
Cost of Providing Services	28,934,742	29,260,607	26,068,771
Depreciation	22,300,804	22,038,539	19,900,585
Total Operating Expenses	<u>58,348,687</u>	<u>57,537,727</u>	<u>51,681,592</u>
<b>OPERATING INCOME</b>	<u>29,851,212</u>	<u>25,840,677</u>	<u>29,886,078</u>
<b>NONOPERATING REVENUE (EXPENSES):</b>			
Investment Income	247,144	376,820	1,018,758
Gain on Change in OPEB plan			5,418,962
Interest Expense	(14,242,364)	(16,853,843)	(19,215,587)
Bond Issuance Costs			(1,282,697)
Contribution to the County of Camden and Indemnification Program	(3,310,756)	(6,135,172)	(5,092,762)
Net Gain (Loss) on Disposition of Capital Assets, Amortization, and Other Non Operating Revenue (Expense)	148,401	(549,698)	(1,853,640)
<b>TOTAL NON-OPERATING ITEMS</b>	<u>(17,157,575)</u>	<u>(23,161,893)</u>	<u>(21,006,966)</u>
Income Before Contributions	12,693,637	2,678,784	8,879,112
Capital Contributions	-	-	2,999,047
Increase in Net Position	12,693,637	2,678,784	11,878,159
Total Net Position Jan. 1	<u>240,779,783</u>	<u>238,100,999</u>	<u>226,222,840</u>
Net Position Dec. 31	<u>\$ 253,473,420</u>	<u>\$ 240,779,783</u>	<u>\$ 238,100,999</u>

## **CHANGES IN NET POSITION (CONT'D)**

Total Operating Revenue showed an overall 5.78% increase from 2013 and an 8.13% increase from the 2012 financial statements. The increase from 2013 and 2012 is a result of the increase in the User Rate as well Connection Fee Revenue. The Authority continues to add billing units as reflected in Connection Fees, there was a 66.69% increase in fees as compared to 2013 due to increased construction throughout the County.

The Authority's total operating expenses increased by 1.41% from 2013 and increased by 12.90% from 2012. The increase was due to higher management consulting fees. This increase is due to a change in how the Authority recognized these expenses. Starting in 2013, due to a change in accounting standards, these costs were expensed where in previous years they were capitalized as they were associated with ongoing projects.

Non-operating Revenue, net of Expenses, decreased by 25.92% compared to 2013 because of a reduction in Interest Expense as well as the Authority having completed its payments to the County under the Road Indemnification Agreement.

## **BUDGETARY HIGHLIGHTS**

The Camden County Municipal Utilities Authority must adopt a budget in accordance with N.J.A.C. 5:31-2. The Budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Significant variances between the original adopted budget and the actual expenditure amounts fall within two categories of favorable and unfavorable.

Administration Other Expenses were in excess of budget as a result of higher than expected legal and management consulting expenses as well as recognizing the bad debt allowance as a standalone expense where in previous years this expense was a reduction to revenue. In 2015 the Authority budgeted for a bad debt allowance. Also, Cost of Providing Services Other Expenses was in excess of budget as a result of higher than expected sludge disposal, chemical and overtime costs.

## **DEBT ADMINISTRATION**

During fiscal year 2014 the Authority continued to pay down its outstanding debt from operating revenues and using the Debt Service Reserve and Special Reserve Funds. This past year the Authority used \$20,166,250 from the Debt Service Reserve and Special Reserve Funds to pay down its debt. The Authority had additional borrowings in 2014 from the New Jersey Environmental Infrastructure Trust to fund the City of Camden Green and Grey Infrastructure Improvement project.

## **CAPITAL IMPROVEMENTS AND CONSTRUCTION ACTIVITY**

- A) Wastewater Treatment Plant----In 2014, the CCMUA worked on one improvement to the treatment plant.
- 1) Installation of a new sludge drying facility. The facility will process all of the CCMUA's sludge and will significantly reduce the plant's sludge disposal costs and also its odor potential as well. This project cost about \$30 million and is funded through the NJ Environmental Infrastructure Trust. The facility completed a warm weather performance test in September 2014 and a cold weather performance test in February 2015.
- B) Interceptor System----In 2014, the CCMUA worked on improvements to the interceptor system.
- 1) Construction of the Atlantic Basin Interceptor. The CCMUA received the necessary approvals and funding to construct an expansion of its regional sewer system to provide additional sewer service to the southern end of Camden County (Berlin Township, Berlin Borough, Chesilhurst, Pine Hill, Waterford Township and Winslow Township). This project resulted in the elimination of the CCMUA's Sicklerville Sewage Treatment Plant. Elimination of that plant's O+M costs, plus the annual sewer revenue from the additional capacity made available, will help to offset the cost of this project. Bids were received in March of 2012, with a total cost of \$50 million; the project is being funded by the New Jersey Environmental Infrastructure Trust. This project was completed in April 2014.
  - 2) Camden City Combined Sewer Overflow Upgrades. The CCMUA received funding from the NJ Environmental Infrastructure Trust to construct improvements to the Camden City's combined sewer system. Specifically, the CCMUA is adding netting systems to each of the City's combined sewer overflow outfalls in order to capture solids and prevent them from entering in the Delaware River during rain events. As of the end of 2014, the CCMUA had upgraded 27 of Camden's 28 combined sewer overflow outfalls. The CCMUA completed the project in June 2015.
  - 3) Camden City Green and Gray Infrastructure, Phase I. The CCMUA received funding from the NJ Environmental Infrastructure Trust, including a \$2 million grant, to construct a series of green infrastructure projects as well as sewer rehabilitation and separation. The projects are estimated to manage approximately 30 million gallons of stormwater on an annual basis. Funding was awarded in May of 2014 and the projects are scheduled for completion in the summer of 2015.
- C) Regulatory Requirements ----In March 2015, the NJDEP issued a new permit to the CCMUA, Camden and Gloucester Cities which requires these entities to work together to develop a long term, sustainable plan to eliminate combined sewage flooding and combined sewage overflows. This will require, ultimately, implementation of a multi pronged approach including a significant amount of capital improvements to both the CCMUA's sewage treatment plant and the Cities' sewer collection systems. The CCMUA is currently developing the NJDEP-required plan and expects to submit the plan within 12 months.



## **ADDITIONAL FINANCIAL INFORMATION**

This Financial Report is designed to provide the Authority's customers, investors and other interested parties with an overview of the Authority's financial operations and financial condition. Should the reader have questions regarding the information contained in this report or wish to request additional financial information, please contact the Treasurer at 1645 Ferry Avenue, Camden, New Jersey 08104.

## **BASIC FINANCIAL STATEMENTS**

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Comparative Statements of Net Position  
As of December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 4,779,720	\$ 1,622,266
Accounts Receivable	14,382,343	13,622,075
Accrued Interest Receivable	31	13
Due from State of New Jersey -- NJEIT Receivable	234,192	1,576,249
Due from State of New Jersey -- USEDA Central Gateway Project		187,449
Other	500	500
Total Unrestricted Assets	<u>19,396,786</u>	<u>17,008,552</u>
Restricted Assets:		
Cash and Cash Equivalents	36,059,245	49,256,547
Cash Held by Fiscal Agent	3,447,378	6,684,095
Investments	8,119,785	15,130,381
Accrued Interest Receivable	279	767
Total Restricted Assets	<u>47,626,687</u>	<u>71,071,790</u>
Total Current Assets	<u>67,023,473</u>	<u>88,080,342</u>
Noncurrent Assets:		
Restricted Assets:		
Capital Assets:		
Utility Plant-In Service, Net of Accumulated Depreciation	497,898,255	421,710,344
Construction in Progress	3,304,149	91,474,932
Other Capital Assets, Net of Accumulated Depreciation	10,939,856	11,890,435
Total Capital Assets	<u>512,142,260</u>	<u>525,075,711</u>
Total Noncurrent Assets	<u>512,142,260</u>	<u>525,075,711</u>
Total Assets	<u>579,165,733</u>	<u>613,156,053</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pre-Operating Costs	<u>134,153</u>	<u>298,697</u>
Total Deferred Outflows of Resources	<u>134,153</u>	<u>298,697</u>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Comparative Statements of Net Position  
As of December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>LIABILITIES</b>		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	\$ 3,758,423	\$ 4,650,461
Accrued Expenses	1,249,326	1,886,687
Reserve for Grant Expenditures:		
Clean Water Enforcement Act	2,897,049	2,837,574
	<hr/>	<hr/>
Total Current Liabilities Payable from Unrestricted Assets	7,904,798	9,374,722
	<hr/>	<hr/>
Current Liabilities Payable from Restricted Assets:		
Accounts Payable	1,162,375	2,291,995
Retainages Payable	1,058,575	1,546,939
Current Maturities of Long-Term Debt	60,831,246	57,130,224
Accrued Interest Payable	2,221,714	2,678,690
	<hr/>	<hr/>
Total Current Liabilities Payable from Restricted Assets	65,273,910	63,647,848
	<hr/>	<hr/>
Long-Term Liabilities Payable:		
Long-term Debt	252,023,159	298,819,926
	<hr/>	<hr/>
Total Long-Term Liabilities	252,023,159	298,819,926
	<hr/>	<hr/>
Total Liabilities	325,201,867	371,842,496
	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Interest Revenue	624,599	832,471
	<hr/>	<hr/>
Total Deferred Inflows of Resources	624,599	832,471
	<hr/>	<hr/>
<b>NET POSITION</b>		
Net Investment in Capital Assets	240,851,180	226,272,013
Restricted	1,754,851	7,706,411
Unrestricted	10,867,389	6,801,359
	<hr/>	<hr/>
Total Net Position	\$ 253,473,420	\$ 240,779,783
	<hr/>	<hr/>

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

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Comparative Statements of Revenues, Expenses and Changes in Net Position  
 For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUE</b>		
User Charges and Fees	\$ 80,687,686	\$ 78,048,926
Connection Fees	4,815,820	2,889,080
Other	2,696,393	2,440,398
Total Operating Revenues	<u>88,199,899</u>	<u>83,378,404</u>
<b>OPERATING EXPENSES</b>		
Administration:		
Salary & Wages	2,178,992	2,052,906
Fringe Benefits	1,775,119	1,881,510
Other Expenses	3,159,030	2,304,165
Cost of Providing Services:		
Salary & Wages	7,584,589	7,421,185
Fringe Benefits	2,123,851	2,166,173
Other Expenses	19,226,302	19,673,249
Depreciation	22,300,804	22,038,539
Total Operating Expenses	<u>58,348,687</u>	<u>57,537,727</u>
<b>OPERATING INCOME</b>	<u>29,851,212</u>	<u>25,840,677</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income	263,113	2,111,754
Unrealized Loss / Gain on Investments	(15,969)	(1,734,934)
Interest Expense	(14,242,364)	(16,853,843)
Contribution to the County of Camden	(3,310,756)	(3,135,172)
County of Camden Indemnification Program		(3,000,000)
Amortization (Net) Bond Premiums, Pre-Operating Costs and Deferred Amounts	135,902	(459,209)
Cancellation of Sick Time Accrual	507,557	
Cancellation of Accounts Receivable	(187,449)	
Community Service Projects	(307,609)	(90,489)
Total Non-operating Revenues (Expenses)	<u>(17,157,575)</u>	<u>(23,161,893)</u>
<b>CHANGE IN NET POSITION</b>	<u>12,693,637</u>	<u>2,678,784</u>
<b>NET POSITION JANUARY 1</b>	<u>240,779,783</u>	<u>238,100,999</u>
<b>NET POSITION DECEMBER 31</b>	<u>\$ 253,473,420</u>	<u>\$ 240,779,783</u>

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

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**

Comparative Statements of Cash Flows  
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 79,927,418	\$ 77,328,906
Other Operating Receipts	8,854,270	11,438,013
Payments to Suppliers	(27,554,278)	(25,640,263)
Payments to Employees	(9,763,581)	(9,474,091)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	51,463,829	53,652,565
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Principal Paid on Bonds	(30,109,416)	(29,658,794)
Interest Paid on Bonds	(33,218,339)	(33,632,113)
Proceeds from Issuance of Long Term Debt	8,893,717	25,067,674
Premium Received on Bonds Issued	160,147	169,044
Payment of Contribution to County of Camden	(3,310,756)	(3,135,172)
Payment of Indemnification Program to County of Camden		(3,000,000)
Acquisition and Construction of Property, Plant and Equipment	(10,985,337)	(40,757,635)
	<hr/>	<hr/>
Net Cash Used in Capital and Related Financing Activities	(68,569,984)	(84,946,996)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Investment Income	263,583	2,146,319
Deferred Interest Revenue	(207,872)	(224,256)
Redemption of Investments	7,010,596	20,481,915
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	7,066,307	22,403,978
	<hr/>	<hr/>
Net (Decrease) in Cash and Cash Equivalents	(10,039,848)	(8,890,453)
Cash and Cash Equivalents - January 1	50,878,813	59,769,266
	<hr/>	<hr/>
Cash and Cash Equivalents - December 31	\$ 40,838,965	\$ 50,878,813
	<hr/>	<hr/>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Comparative Statements of Cash Flows  
 For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Operating Income	\$ 29,851,212	\$ 25,840,677
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	22,300,804	22,038,539
Community Service Projects	(307,609)	(90,489)
Cancellation of Sick Time Accrual	507,557	
Cancellation of Accounts Receivable	(187,449)	
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(760,268)	(720,020)
(Increase) Decrease in Grants and Loan Receivable	1,529,506	6,108,535
Increase (Decrease) in Unrestricted Accounts Payable, Accrued Expenses and Deferred Revenues	(1,469,924)	475,323
Net Cash Provided by Operating Activities	<u>\$ 51,463,829</u>	<u>\$ 53,652,565</u>

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

## CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Notes to Financial Statements

For the Years Ended December 31, 2014 and 2013

---

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Camden County Municipal Utilities Authority (the "Authority") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

#### **Reporting Entity**

The Camden County Municipal Utilities Authority (the "Authority"), a public body politic and corporate of the State of New Jersey, was created by an ordinance duly adopted on March 15, 1972, by the Board of Chosen Freeholders of the County of Camden, State of New Jersey.

The Authority was created to acquire, construct, maintain and operate facilities for the collection, treatment, purification or disposal of sewerage or other wastes for the relief of waters in, bordering or entering the County of Camden (the "County") from pollution or threatened pollution and for improvement of conditions affecting the public health.

The Authority has entered into a service agreement with its member municipalities within the County. The Authority bills and collects its revenue from the users of the system sufficient to pay or provide for the expenses of operation, repair and maintenance of the system, debt service, deficits (if any), and maintain reserves and sinking funds as may be required.

The County is obligated to pay the Authority, pursuant to a Deficiency Agreement, any annual charges equal to any deficits in revenues necessary to pay or provide for (i) operation and maintenance expenses, (ii) principal and interest payments on bonds and notes in an aggregate principal amount not to exceed \$685,500,000 and (iii) the maintenance of reserves required under the Bond Resolution securing the Authority's bonds and notes.

#### **Component Unit**

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority has no component units and is a component unit of the County of Camden.



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

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.

**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. Sewer service charges are recognized as revenue when services are provided. Connection fees are paid to the Authority at the time a new property applies for connection to the regional sewer system and are recognized as revenue when the funds are received. At the time the municipality issues a release for certificate of occupancy the Authority determines that sewage collection services are being provided to the properties and begins the billing process.

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** - 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 fiscal year and to adopt not later than the beginning of the Authority's fiscal 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, 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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets and Budgetary Accounting (Cont'd)**

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.

**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.

**Inventories**

Inventory consists principally of chemicals for the treatment of sewerage and sludge and is valued at cost. The Authority has determined that the inventories are immaterial and are not recorded in the financial statements.

**Prepaid Expenses**

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the applicable year.

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

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets purchased are stated at actual cost. Donated capital assets are recorded at their fair market value as of the date received.

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Costs incurred during construction of an asset are recorded as construction in progress. In the year that the project is completed, these costs are transferred to Capital Assets - Completed. 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 \$5,000.00 or more
- 2) Useful life of more than one year
- 3) Asset is not affected by consumption

**Depreciation**

Depreciation is taken beginning in the month of acquisition. Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	<u>Years</u>
Plant	50
Interceptors	75
Heavy Duty Vehicles	10
Office Furniture and Equipment	10
Other	5

**Bond Discounts / Bond Premiums**

Bond discounts / bond premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, by the straight-line method, from the issue date to maturity as a component of interest expense. Bond discounts / bond premiums 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 over the duration of the related debt as a component of interest expense.

**Deferred Revenue**

Deferred revenue arises when resources associated with revenue transactions are received or reported as a receivable before the period when resources are required to be used or when use is first permitted in which enabling legislation includes time requirements.

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

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and other compensated time. 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.

**Restricted** – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Unrestricted** - This component of net position consists of net position that does 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 that are generated directly from sewer collection facilities (e.g., user service charges 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 treatment system and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt, contributions to the County of Camden and other community service projects.

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

**Recently Issued and Adopted Accounting Pronouncements**

During the fiscal year ended December 31, 2014, the Authority adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

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. The adoption of GASBS 70, however, does not have any impact on the Authority's financial statements

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 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 include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. The adoption of GASBS 69, however, does not have any impact on the Authority's financial statements

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Recently Issued Accounting Pronouncements**

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 November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. 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. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years 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 when considered in conjunction with the adoption of Statement No. 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.

**General Bond Resolution**

The Authority is subject to the provisions and restrictions of the 1987 Sewer Revenue Bond Resolution adopted May 26, 1987 and all subsequent supplemental resolutions. An Amended and Restated Sewer Revenue Bond Resolution was adopted on October 10, 1995, in order to consolidate all previous supplemental resolutions to date. A summary of the activities of each fund created by the Bond Resolution is covered below.

**Revenue Fund** - The Revenue Fund accounts for resources and expenditures of a general nature. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the excess funds may be used by the Authority for any lawful purpose.

**Debt Service** – The Debt Service Fund must maintain a balance on deposit sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds, principal amounts maturing on bonds and sinking fund installments when such payments are required.

**Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)****General Bond Resolution (Cont'd)**

**Debt Service Reserve Fund** – The amount of funds on deposit must be maintained at a level equal to Maximum Debt Service to insure funds are available for payment of debt service.

**Renewal and Replacement Fund** – 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.

**Construction Account** – The Construction Fund is held by the Trustee and shall be applied to pay the cost of projects and is pledged, pending application to such costs, for the security of the payment of principal and interest on the Sewer Revenue Bonds.

**Special Reserve Fund** – The Special Reserve Fund accounts for funds in accordance with the Special Reserve Fund Deposit Requirement. (Refer to Note 5 – Special Reserve Fund for a more detailed description)

**Excess Expenditures over Appropriations**

The following appropriation categories had expenditures that exceeded appropriations for the year ended December 31, 2014:

<u>Category</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Excess</u>	<u>Comment on Excess</u>
Administration:				
Other Expenses	\$ 2,280,450	\$ 3,159,030	\$878,580	Budget did not include allowance for bad debt; higher than expected legal and management consulting fees.
Cost of Providing Services:				
Salary & Wages	7,402,589	7,584,589	182,000	Unanticipated overtime costs.
Total Interest Payments on Debt Service	32,365,296	33,218,339	853,043	Accrual of interest was not appropriated due to the interest in the budget was prepared on a cash basis not GAAP.

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

Section 4.01 of the Amended and Restated Bond Resolution adopted October 10, 1995 requires certain ratios of Net Revenues at least equal to 1.00 times the Debt Service Requirements of Bonds within the coverage of the County Agreement for such Bond Year. Pursuant to the understanding at the time of issuance of the Sewer Revenue Capital Appreciation Bonds any accretion in value of the Capital Appreciation Bonds above the original principal amount of the Bonds at initial issuance is treated as accreted interest for the purpose of defining coverage within the County Agreement.

Compliance with this covenant is calculated as follows:

<u>1995 Bond Resolution</u>	<u>Bond Year Ending December 31, 2014</u>
Gross Revenues:	
Operating Revenues	\$ 88,199,899
Interest Income	<u>247,144</u>
Total Gross Revenues	88,447,043
Operating Expenses, exclusive of depreciation	<u>36,047,883</u>
Net Revenues	<u>52,399,160</u>
Debt Service Requirement of all Bonds issued under this Resolution (treating all Bonds as a single issue of Bonds for purposes of this calculation) *	49,350,056
Less: Disbursements from Investment Obligations held in the Special Reserve Fund	<u>7,272,663</u>
	<u>42,077,393</u>
Sufficiency of Net Revenues	<u>\$ 10,321,767</u>

\* Annual Debt Service stated above does not include amortization of bond discounts, deferred amount on defeasance or accreted interest on capital appreciation bonds.



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

Section 1.01 of the Amended and Restated Bond Resolution adopted October 10, 1995 indicates the debt service reserve requirement shall mean the lesser of:

(a) the Maximum Annual Debt Service Requirement of all Bonds issued under this Resolution (treating all Bonds as a single issue of Bonds for purposes of this calculation),	<u>\$ 56,384,784</u>
or	
(b) the sum of:	
(i) the then applicable Periodic Debt Service Reserve Requirement,	\$ 40,387,238
(ii) upon the issuance of any series of Additional Bonds after the 1990 Bonds, the Maximum Annual Debt Service Requirement on all Outstanding Bonds of such series less the amount, if any, of the reduction in the Maximum Annual Debt Service on any series of Bonds refunded with such series of Additional Bonds:	
1995 Series B	\$114,019
2000 Series A, 2000-05	162,643
2000 Series A, 2000-07	191,488
2003 Series A	317,621
2006 Series A	384,160
2006 Series B (Refunding pre-1990 Bond issue Net Change)	(618,206)
2006 Series A (Refunding)	315,669
2006 Series A (Refunding)	296,407
2008 Series A (Refunding pre-1990 Bond Issue Net Change)	638,703
2012 Series B-R (Refunding)	<u>195,700</u>
	1,998,204
(iii) on December 2, 1997, the Maximum Annual Debt Service Requirement on any 1987 Bonds maturing on December 31, 2007 Or December 1, 2017 then outstanding.	<u>-</u>
	<u>\$ 42,385,442</u>

Therefore, the defined Debt Service Reserve Requirement as of December 31, 2014, shall equal \$42,385,442.

The Authority has funded the Debt Service Reserve Requirement as of December 31, 2014 as follows:

Amount on Deposit	\$ 36,999,713
Interest Receivable	262
Credit Facility Instrument (Letter of Credit) (see Note 2)	<u>22,000,000</u>
	<u>\$ 58,999,975</u>

**Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)****Debt Service Reserve Requirement (Cont'd)**

**Letter of Credit** - The Amended and Restated Bond Resolution adopted October 10, 1995 permits the Authority to evidence a portion of the Debt Service Reserve Requirement by a Credit Facility, which would allow for the removal of a corresponding amount of cash from the Debt Service Reserve Fund. On January 27, 2014, the Commissioners approved a resolution that authorized the Authority to accept a Credit Facility from The Bank of New York Mellon (the Facility Provider) in the amount of \$22,000,000. Under the terms of a Reimbursement Agreement, the Facility Provider issued a Letter of Credit to The Bank of New York Mellon, as Trustee, as beneficiary, on February 7, 2014 in the original amount of \$22,000,000. As of December 31, 2014, there have been no draws against the letter of credit.

**Subordinate Bond Resolution**

The Authority is further subject to the provisions and restrictions of several Subordinate Resolutions initially adopted on July 17, 2006 (the "Subordinate Resolution") as amended and supplemented at the time each subordinate bond is issued. Section 4 of the Subordinate Resolution creates an obligation on the Authority to the payment of principal and interest on the Subordinate Bonds. The Subordinate Bonds are secured by the pledge of amounts which may be withdrawn from the Renewal and Replacement Fund of the General Bond Resolution pursuant to and subject to the limitations of Paragraph (e) of Section 4.12, which states ...the Trustee shall (i) ... withdraw from and pay out of the Renewal and Replacement Fund, free and clear of the lien, pledge and security interest created hereby, any amounts in excess of the foregoing, which amounts as so withdrawn by the Authority may be used or applied by it to any lawful purpose of the Authority. The pledge of revenues and other such funds is subordinate to the provisions of the General Bond Resolution and the lien and pledge created by the General 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 \$250,000.00 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, 2014 and 2013, the Authority's bank balances of \$38,424,518 and \$50,717,312 were exposed to custodial credit risk as follows:

	<u>2014</u>	<u>2013</u>
Uninsured and Collateralized with Securities Held by Pledging Bank's Trust Department, but not in the Authority's Name	\$ 37,674,518	\$ 49,967,312
Inusred by FDIC	<u>750,000</u>	<u>750,000</u>
Total Bank Balance	<u>\$ 38,424,518</u>	<u>\$ 50,717,312</u>

**Note 3: DETAIL NOTES – ASSETS (CONT'D)****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 \$8,119,785 as of December 31, 2014 and \$15,130,381 as of December 31, 2013 investments in treasury obligations, money market funds and state and municipal bonds 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** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority's investment policies place no limit on the amount the Authority may invest in any one issuer. All of the Authority's investments are either in treasury obligations, money market funds, GNMA's or direct Treasury Securities.

As of December 31, 2014 and 2013, the Authority had the following investments and maturities:

<u>Investment</u>	<u>Maturity Date</u>	<u>S&amp;P Credit Rating</u>	<u>2014 Fair Value</u>	<u>2013 Fair Value</u>
Taxable Municipal Bonds	06/30/14	A+		\$ 6,993,036
US Treasury Notes	08/31/15	Aaa	\$ 8,119,785	8,137,345
			<u>\$ 8,119,785</u>	<u>\$ 15,130,381</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>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Billings</u>	<u>Total Collections</u>	<u>Percentage of Collections</u>
2014	\$ 13,622,075	\$ 80,687,686	\$ 79,927,418	84.75%
2013	12,902,055	78,048,926	77,328,906	85.02%
2012	10,367,567	75,259,849	72,725,361	84.93%

**Note 3: DETAIL NOTES – ASSETS (CONT'D)****Accounts Receivable**

At December 31, 2014 and 2013, the balance in Accounts Receivable was \$14,382,343 and \$13,622,075 respectively. The Authority's policy for allowance for doubtful accounts is to consider any account with a balance greater than 18 months old as a doubtful account.

Delinquent account balances are sold at tax sales by the applicable municipal tax collectors on behalf of the Authority, thereby creating a lien on the property of the delinquent account. Any collection of delinquent account balance by the municipal tax collectors is subsequently forwarded to the Authority.

**Capital Assets**

During the year ended December 31, 2014 and 2013, the following changes in Capital Assets occurred:

	<u>Balance</u> <u>Jan. 1, 2014</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
In Service:					
Land	\$ 6,440,900				\$ 6,440,900
Preliminary Treatment Facility	30,970,508				30,970,508
Secondary Treatment Plant	238,282,832	\$ 2,162,397	\$ 35,300,270		275,745,499
Interceptors	174,631,809				174,631,809
Incinerator	3,813,619				3,813,619
Compost Facility	55,342,819				55,342,819
Pump Stations	126,283,692		58,911,962		185,195,654
Metering Stations	5,175,127				5,175,127
Consulting & Engineering	40,121,442				40,121,442
Capitalized Interest	73,517,899				73,517,899
<b>Total In Service</b>	<b>754,580,647</b>	<b>2,162,397</b>	<b>94,212,232</b>	-	<b>850,955,276</b>
Assets Under Construction	91,474,932	6,041,449	(94,212,232)	-	3,304,149
Other:					
Administrative Building	2,716,556				2,716,556
Plant Machinery	25,361,053	1,163,507			26,524,560
Sundry	7,704,795				7,704,795
<b>Total Other</b>	<b>35,782,404</b>	<b>1,163,507</b>	-	-	<b>36,945,911</b>
<b>Total Capital Assets</b>	<b>881,837,983</b>	<b>9,367,353</b>	-	-	<b>891,205,336</b>
Less Accumulated Depreciation	356,762,272	22,300,804	-	-	379,063,076
	<b>\$ 525,075,711</b>	<b>\$ (12,933,451)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 512,142,260</b>

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

	<u>Balance</u> <u>Jan. 1, 2013</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
In Service:					
Land	\$ 6,440,900				\$ 6,440,900
Preliminary Treatment Facility	30,970,508				30,970,508
Secondary Treatment Plant	236,218,174	\$ 5,570,087	\$ 669,238	\$ (4,174,667)	238,282,832
Interceptors	174,631,809				174,631,809
Incinerator	3,813,619				3,813,619
Compost Facility	55,342,819				55,342,819
Pump Stations	126,216,897	66,795			126,283,692
Metering Stations	5,175,127				5,175,127
Consulting & Engineering	40,121,442				40,121,442
Capitalized Interest	73,517,899				73,517,899
<b>Total In Service</b>	<b>752,449,194</b>	<b>5,636,882</b>	<b>669,238</b>	<b>(4,174,667)</b>	<b>754,580,647</b>
<b>Assets Under Construction</b>	<b>62,538,608</b>	<b>29,605,562</b>	<b>(669,238)</b>	<b>-</b>	<b>91,474,932</b>
Other:					
Administrative Building	2,614,420	102,136			2,716,556
Plant Machinery	22,695,779	2,665,274			25,361,053
Sundry	7,605,077	99,718			7,704,795
<b>Total Other</b>	<b>32,915,276</b>	<b>2,867,128</b>	<b>-</b>	<b>-</b>	<b>35,782,404</b>
<b>Total Capital Assets</b>	<b>847,903,078</b>	<b>38,109,572</b>	<b>-</b>	<b>(4,174,667)</b>	<b>881,837,983</b>
<b>Less Accumulated Depreciation</b>	<b>338,898,400</b>	<b>22,038,539</b>		<b>(4,174,667)</b>	<b>356,762,272</b>
	<b>\$ 509,004,678</b>	<b>\$ 16,071,033</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 525,075,711</b>

**Note 4: DETAIL NOTES – DEFERRED OUTFLOWS OF RESOURCES****Preoperating Costs**

Prior to the operation of sewer plants, the Authority incurred preoperating costs in the amount of \$15,685,747. These costs are being amortized using the straight line method over 40 years from 1981 to 2021. The unamortized portion of preoperating costs is reported in the accompanying financial statements as a deferred outflow of resources. As of December 31, 2014 and 2013, the preoperating costs, net of amortization were \$134,153 and \$298,697, respectively.

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

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Up to ten days of sick leave may also be sold back in accordance with the Authority's Personnel Policy and Labor Contracts. As a result of changes in these contracts, effective December 31, 2013, and changes in the Authority's personnel policy, any unused sick leave accumulated upon retirement or death will no longer be compensated. Vacation days not used during the year may be accumulated and carried forward to the next subsequent year only. The value of vacations days not utilized will be paid to the employee's estate upon death.

Certain full-time employees are entitled to days off in lieu of receiving pay for overtime. Permanent part-time employees are entitled to sick and vacation leave on a prorated basis.

The Authority has the following accrued liabilities for compensated absences at December 31, 2014 and 2013:

	<b>December 31,</b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>
Sick Time	\$ -	\$ 507,557
Vacation Time	420,856	434,767
Comp Time	283,481	283,661
	<u>\$ 704,337</u>	<u>\$ 1,225,985</u>

**Unearned Clean Water Act Fines**

In 1972, Congress enacted the first comprehensive national clean water legislation in response to growing public concern for serious and widespread water pollution. The Clean Water Act (CWA) is the primary federal law that protects our nation's waters, including lakes, rivers, aquifers and coastal areas.

The CWA established the basic structure for regulating discharges of pollutants into the waters of the United States by making it unlawful for any person to discharge any pollutant from a point source unless a permit was obtained under its provisions. The Water Pollution Control Act (WPCA), enacted in 1977, enabled New Jersey to implement the New Jersey Pollutant Discharge Elimination System (NJPDES) permitting system required under the CWA, whereby a person must obtain a NJPDES permit in order to discharge a pollutant into surface water or ground water of the State or to release a pollutant into a municipal treatment works.

In 1990, the Legislature enacted substantial amendments to the WPCA, commonly known as the Clean Water Enforcement Act, P.L. 1990, c. 28 (CWEA). The CWEA requires the department to inspect permitted facilities and municipal treatment works at least annually. Additional inspections are required when the permittee is identified as a significant noncomplier. The CWEA also requires the assessment of mandatory minimum penalties for violations of the WPCA that are considered serious violations and for violations by permittees designated as significant noncompliers.

The CWEA mandates that 10 percent of the fines and penalties collected for violations of the CWEA be deposited in the State Licensed Operator Training Account at the NJDEP. The balance collected can be utilized by the Local Agency (the Authority) to offset the cost of the pretreatment program, funding for enforcement purposes and for upgrading municipal treatment facilities.

At December 31, 2014 and 2013, the penalties receivable amounted to \$122,367 and \$111,367, respectively. In accordance with the state statute no allowance has been made for the collectability of this amount. Also, at December 31, 2014 and 2013, the amount due to the NJDEP for 10 percent of the penalties collected was \$188,184 and \$168,359, respectively.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****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>
2014	\$ 160,008	\$ 701,009	\$ 861,017	\$ 861,017
2013	268,415	590,767	859,182	859,182
2012	296,755	555,581	852,336	852,336

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

**Early Retirement Incentive Program** – Legislation enacted in 2003 made early retirement available through Early Retirement Incentive Programs. This program, which is subject to the approval of the Authority's governing body (within a limited period of time), was available to employees who met certain minimum requirements. The governing body of the Authority approved the program on June 21, 2004 for eligible members of the PERS. Six employees applied for early retirement during the 2003 program. Program costs are billed annually by the Division of Pensions. As of December 31, 2014 and 2013, the accrued liability to the PERS for the 2003 program was \$401,156 and \$458,464 payable in annual installments of \$57,308 to April 1, 2021.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Post-Employment Benefits**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. Local employers must adopt a resolution to participate in the SHBP. In 2012, the Authority authorized participation in the SHBP’s post-retirement benefit program through resolution number 12:5-85. The Authority will pay the premium for health and prescription benefits for all employees, not covered by another plan, who retire from the Authority with 25 years or more of service credited by a New Jersey pension system.

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/](http://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 funds these benefits on a pay-as-you-go basis.

The Authority’s contribution to SHBP for post-employment benefits for the years ended December 31, 2014, 2013 and 2012, were \$195,583, \$212,970 and \$70,982, respectively, which equaled the required contributions each year for 2014 and 2013 and the four months period from September 2012 to December 2012 for 2012. There were approximately 15 and 16 retired employees receiving benefits as of December 31, 2014 and 2013, respectively. As of December 31, 2014, ninety-eight active employees have met the requirements to be eligible for the program after retirement.

United Food and Commercial Workers and Participating Food Industry Employers TRI-State Health & Welfare Fund Plan

**Plan Description** - The Authority contributes under provisions of a union contract to the United Food and Commercial Workers post-employment health benefits to eligible retirees and their spouses through the Union’s United Food and Commercial Workers and Participating Employers Tri-state Food Industry Health & Welfare Fund Plan (the Fund).

The benefit is provided to eligible retirees hired prior to December 31, 2011 that have been employees for or have at least twenty-five (25) years of service credited by a New Jersey pension system and are over fifty-five (55) years of age. For employees hired on or after January 1, 2012, eligible retirees are those employees that retire from the Authority after twenty-five (25) years or more of service credited by a New Jersey pension system and are over the age of sixty-two (62).



**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Post-Employment Benefits (Cont'd)**United Food and Commercial Workers and Participating Food Industry Employers TRI-State Health & Welfare Fund Plan (Cont'd)

**Funding Policy** - The Authority contributes health insurance and prescription plan premiums to the Fund for eligible retirees and their spouses until they reach the age of sixty-five (65) when they are then required to enroll into the Medicare program for which the Fund coverage is supplemental.

The Authority's post-employment benefits contribution to the Fund for the years ended December 31, 2014, 2013 and 2012 were \$172,762, \$173,540 and \$90,476 for 15, 16 and 16 employees in the plan, respectively, which equaled the required contributions for each year. There were approximately fifteen (15) retired employees receiving benefits and ninety-eight (98) active employees that could become eligible after retirement at December 31, 2014.

The Fund issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to: United Food and Commercial Workers and Participating Food Industry Employers TRI-State Health & Welfare Fund Plan 27 Roland Avenue Suite 100, Mt Laurel, NJ 08054.

**Lease Obligations**

At December 31, 2014, the Authority had lease agreements in effect for the following:

Operating:  
     Various Copier/Printer/Scanner Units  
     Mailing Machines

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$32,236
2016	26,178
2017	19,741
2018	6,090
2019	1,200

Current Year Payments under Operating Leases totaled \$32,986.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Long Term Debt**

	<b><u>December 31,</u></b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>
New Jersey Wastewater Treatment / Environmental Infrastructure Trust	\$ 43,439,677	\$ 43,851,114
New Jersey Wastewater Treatment / Environmental Infrastructure Fund	99,977,836	100,309,622
County Agreement Sewer Revenue Bonds, Series 2006A	3,590,000	3,825,000
County Agreement Sewer Revenue Refunding Bonds, Series 2006B	34,495,000	44,920,000
County Agreement Sewer Revenue Capital Appreciation Bonds Series 1990A	53,245,339	62,899,195
County Agreement Sewer Revenue Capital Appreciation Bonds Series 1990B	49,418,788	63,652,008
County Agreement Sewer Revenue Refunding Bonds Series 2008	24,940,000	32,445,000
	<u>309,106,640</u>	<u>351,901,939</u>
Add Amounts:		
Premium on Bonds	5,075,275	6,226,108
Less Amounts:		
Deferred on Refunding	(1,327,510)	(2,177,897)
Current Maturities	<u>(60,831,246)</u>	<u>(57,130,224)</u>
	<u>(57,083,481)</u>	<u>(53,082,013)</u>
	<u>\$ 252,023,159</u>	<u>\$ 298,819,926</u>

The County has executed a deficiency agreement with the Authority which under its terms and conditions obligates the County to pay all principal debt service deficiencies, not to exceed \$685,500,000 (See Note 1), if any, debt service payments are made by the Authority, including the bonds and loans under the New Jersey Environmental Infrastructure (Wastewater Treatment) Trust and Fund ("NJEIT" and "NJWTT") programs.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****Long Term Debt (Cont'd)**

At December 31, 2014, the aggregate principal maturities of long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Accretion</u>	<u>Total</u>
2015	\$ 65,072,994	\$ 5,016,584	\$ 6,889,572	\$ 76,979,150
2016	60,972,292	3,932,687	4,967,451	69,872,430
2017	63,090,128	2,812,456	2,901,198	68,803,782
2018	20,508,696	1,619,028	1,214,837	23,342,561
2019	20,557,048	1,479,879	502,815	22,539,742
2020-2024	47,697,443	5,272,416		52,969,859
2025-2029	38,580,820	1,937,692		40,518,512
2030-2032	9,103,092	160,531		9,263,623
	<u>\$ 325,582,513</u>	<u>\$ 22,231,273</u>	<u>\$ 16,475,873</u>	<u>\$ 364,289,659</u>

## Adjustments:

Accreted Interest	(16,475,873)
Bond Premium	5,075,275
Deferred Amount on Refunding	<u>(1,327,510)</u>
	<u>\$ 312,854,405</u>

**Revenue Bonds Payable - Series 1990A, 1990B, 2006A, 2006B and 2008**

The Revenue Bonds Series 1990A, 1990B, 2006A, 2006B and 2008 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 sewerage treatment facilities.

**1990 Refunding**

On February 21, 1990, the Authority issued \$115,830,387 County Agreement Sewer Revenue Capital Appreciation Bonds, 1990A Series and \$121,677,019 County Agreement Sewer Revenue Capital Appreciation Bonds, 1990B Series. A majority of the proceeds were utilized to refund or pay a portion of the principal of and interest on the 1987 Sewer Revenue Bonds and the New Jersey Wastewater Treatment Trust and Fund Bonds; permanently finance certain projects through the redemption in whole of the \$109,000,000 1987 Bond Anticipation Notes; make a deposit in the Debt Service Reserve Fund; and pay the expenses incurred in connection with the issuance of the Bonds, including the payment of a municipal bond insurance premium.

As security for the Authority's payment obligations on the 1990A and 1990B Bonds, the Resolution creates a senior lien on and grants a security interest in the gross revenues of the Authority, investment earnings and other cash receipts. Interest on the 1990 Bonds will not be paid semiannually, but only upon maturity or earlier acceleration (capital appreciation bonds). Such interest accrues from the date of issuance and compounds semiannually. The 1990 Bonds are priced to produce an approximate yield to maturity ranging from 6.80% to 7.35%.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****1990 Refunding (Cont'd)**

	<u>Face Value</u>	<u>Accreted Value</u>	<u>Payments</u>	<u>Carrying Value</u>
1990A Bonds:				
Dec. 31, 2014	\$ 115,830,387	\$ 44,396,665	\$ 106,981,712	\$ 53,245,340
Dec. 31, 2013	115,830,387	51,663,614	104,594,808	62,899,193
1990B Bonds:				
Dec. 31, 2014	\$ 121,677,019	\$ 41,206,135	\$ 113,464,367	\$ 49,418,787
Dec. 31, 2013	121,677,019	52,282,069	110,307,080	63,652,008

**2006A Revenue**

On October 11, 2006, the Authority issued County Agreement Sewer Revenue Bonds, Series 2006A dated September 26, 2006, in the amount of \$5,000,000 to pay expenses incurred in the repair of a force main in the City of Camden and other various projects. The 2006A Bonds have interest rates ranging from 3.45% to 4.05% and mature in various increments through 2026.

**2006B Refunding**

On September 20, 2006, the Authority issued County Agreement Sewer Revenue Refunding Bonds, Series 2006B dated August 31, 2006, in the amount of \$100,865,000 to refund the 1996 County Sewer Revenue Refunding Bonds, originally issued in the aggregate principal amount of \$139,190,000, and pay expenses incurred in connection with the reissuance of the bonds. The 2006B Bonds have interest rates ranging from 4.00% to 5.00% and mature in various increments through 2017.

**2008 Refunding**

On July 15, 2008, the Authority issued County Agreement Sewer Revenue Refunding Bonds, Series 2008 dated June 10, 2008, in the amount of \$64,885,000 to refund the 1997 County Sewer Revenue Refunding Bonds, originally issued in the aggregate principal amount of \$85,980,000, and pay expenses incurred in connection with the issuance of the bonds. The 2008 Bonds have interest rates ranging from 4.85% to 5.25% and mature in various increments through 2017.

The 2008 refunding bonds were issued pursuant to a Forward Bond Purchase Contract dated February 23, 2005 between the Authority and Bear, Stearns & Co. Inc., (the "purchaser") in which the Authority granted the Purchaser the option to purchase the 2008 refunding bonds. In consideration of the purchase option the purchaser paid to the Authority an upfront fee of \$600,000.

**New Jersey Wastewater Treatment Trust / New Jersey Environmental Infrastructure Trust Programs**

The Authority has received loans from the State of New Jersey under the Wastewater Treatment Trust Program / Environmental Infrastructure Trust Program ("NJEIT Trust"). The NJEIT Trust has issued bonds for loans to various entities. The funds on hand at the NJEIT Trust for loans committed to the Authority are included on the books of the Authority as Cash Held by Agent. The NJEIT Trust acts in a trustee capacity for these funds and the drawdown of these funds are subject to the approval of the NJEIT Trust. \$92,349,167 in loans have been issued. They have interest rates ranging from 3.0% to 5.25% and mature in various increments through 2032.

**Note 5: DETAIL NOTES – LIABILITIES (CONT'D)****New Jersey Wastewater Treatment Trust / New Jersey Environmental Infrastructure Trust Programs (Cont'd)**

Under the Wastewater Treatment Fund Program / Environmental Infrastructure Fund Program ("NJEIT Fund"), the State extended several noninterest-bearing loans totaling \$254,709,853. The loans have been recorded as long-term debt, net of original defeased debt of \$29,449,144. When a project is completed, a final expenditure report is submitted to the State. If the total project cost is less than the loan amount, the State will make an adjustment to the final loan payment. The Authority has repaid \$125,282,873 and \$120,708,335 as of December 31, 2014 and 2013, respectively. This debt will mature in various increments through 2032.

In 2014, a noninterest-bearing interim loan of \$4,242,750 was extended to the Authority. This loan will become a permanent loan with a non-interest portion and a interest bearing portion in 2015.

**Authority Subordinate Bonds**

The 2006, 2007, 2008, 2010, 2012, 2013 and 2014 interim NJEIT Trust and NJEIT Fund Loans were issued as Authority Subordinate Bonds. The Bonds are subordinate to the Revenue Bonds issued under the 1995 Bond Resolution of the Authority. In the event of any insolvency and bankruptcy proceedings, all holders of the Revenue Bonds shall be entitled to receive payment in full of all payments due before the holders of all outstanding Authority Subordinate Bonds are entitled to receive any payment from the Gross Revenues (as defined in the General Bond Resolution).

**Special Reserve Fund**

Pursuant to the Thirteenth Supplemental Resolution adopted December 27, 1993, the provision to prepay the 1987 Sewer Revenue Bonds and the New Jersey Wastewater Treatment Trust Bonds was eliminated and amended to pay all or any portion of the principal of or interest on the 1990 Bonds when due. The Authority, however, is not obligated to use Special Reserve Fund moneys to redeem the 1990 Bonds and may, with the consent of Financial Guaranty Insurance Company, the issuer of the Municipal Bond New Issue Insurance Policy, apply such moneys to future capital projects or pay administrative costs or expenses of the Authority, including, without limitation, any costs and expenses in any way related to the issuance of Authority obligations or the restructuring of the Special Reserve Fund. The Authority has paid approximately \$191,650,287 into the Special Reserve Fund as of December 31, 2014

**Note 6: DETAIL NOTES – NET POSITION****Net Position Appropriated – Operating Budget**

As of December 31, 2014, the Authority had an unrestricted net position balance of \$10,867,389; however \$3,401,873 has been appropriated and included as support in the operating budget for the year ending December 31, 2015.

As of December 31, 2013, the Authority had an unrestricted net position balance of \$6,801,359; however, \$3,310,756 has been appropriated and included as support in the operating budget for the year ending December 31, 2014.

**Net Position Appropriated – Capital Budget**

As of December 31, 2014, the Authority had an unrestricted net position balance of \$10,867,389; none has been appropriated and included as support in the capital budget for the year ending December 31, 2015.

As of December 31, 2013, the Authority had an unrestricted net position balance of \$6,801,359; none has been appropriated and included as support in the capital budget for the year ending December 31, 2014.

**Note 7: COMMITMENTS AND CONTINGENCIES****Commitments**

The Authority had several outstanding or planned construction projects as of December 31, 2014. These projects are evidenced by contractual commitments with contractors and include:

<u>Project</u>	<u>Awarded</u>	<u>Commitments Remaining</u>
Green and Gray Infrastructure	Command Co.	\$ 583,211
Green and Gray Infrastructure	Schiavone Corp.	23,753
Green and Gray Infrastructure	Petrongolo Constructors	2,344,584
Green and Gray Infrastructure	Mount Construction	272,375
Atlantic Basin Interceptor	PKF Mark III	463,312
Atlantic Basin Interceptor	Metra Industries	121,503
Atlantic Basin Interceptor	Underground Utilities	51,712
Atlantic Basin Interceptor	Pioneer Pipe	70,159
Atlantic Basin Interceptor	Montana Construction	1,457,835
		<u>\$ 5,388,445</u>

**Encumbrances**

Enterprise funds recognize expenses when they are incurred. Encumbrances do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods or services for both the Unrestricted and Restricted Funds. As of December 31, 2014 and 2013, the Authority had outstanding encumbrances of approximately \$18,451,437 and \$10,475,005, respectively.

**Change Orders to Contracts**

During the year 2014, the Authority had two contracts that resulted in the total amount of change orders executed for the project to exceed the originally awarded contract price by more than 20 percent. The resolution number and project description are as follows:

<u>Resolution No.</u>	<u>Project Description</u>
R-14:4-48	Printing and Mailing of Customer Bills
R-14:9-109	Construction of the Clementon Force Main Upgrades/Atlantic Basin Interceptor Expansion Project

N.J.A.C. 5:30-11.3 (a) 9 and 10 states that the total number of change orders executed for a particular contract shall not cause the originally awarded contract price to be exceeded by more than twenty percent unless otherwise authorized, and that if proposed change orders do exceed that twenty percent limitation, no work shall be performed or purchases made until the procedures of N.J.A.C. 5:30-11.9 have been completed.

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent limitation. The Authority has complied with all provisions of N.J.A.C. 5:30-11.9.

**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 8: INVESTMENT INCOME**

Investment income is comprised of the following elements described below:

Interest income - is the return on the original principal amount invested.

Realized gain – is a gain resulting from selling an asset at a price higher than the original purchase price.

Change in the fair value of investments - takes into account all changes in fair value that occurred during the year.

The Authority's investment income for the years ended December 31, 2014 and 2013:

	December 31,	
	<u>2014</u>	<u>2013</u>
Investment Income:		
Interest Income	\$ 263,113	\$ 2,111,754
Change in the Fair Value of Investments	(15,969)	(1,734,934)
	<u>\$ 247,144</u>	<u>\$ 376,820</u>

**Note 9: RELATED PARTY TRANSACTIONS****Related Party Transactions**

The Commissioners of the Authority are appointed by the Board of Chosen Freeholders of the County of Camden. Accordingly, the Freeholders have the ability to influence the nature and amounts of business done by the Authority. The Authority and the County have engaged in significant transactions with each other. These transactions include the cooperative purchasing and economic development activities.

**Note 10: RISK MANAGEMENT**

The Authority is a member of the Camden County Insurance Commission (the "Commission"), established on January 21, 2010, by a Camden County Board resolution pursuant to N.J.S.A. 40A:10-6. The commission is a public entity risk pool serving Camden County, Camden County College, Camden County Board of Social Services, Camden County Utility Authority, Camden County Health Services, Camden County Pollution Control Financing Authority, Camden County Improvement Authority, and Camden County Department of Police Services. The Commission provides the following insurance Workers' Compensation including Employers' Liability, General Liability other than motor vehicles, Property damage other than motor vehicles, Automobile Liability and damage Public Officials Liability, Legal/Employment Practices Liability, Crime, Pollution Liability, Medical Professional Liability Employed Lawyers Liability.

The Commission is governed by three County officials who serve as commissioners and are appointed by the Camden County Board of Freeholders.

Excess insurance is managed by the New Jersey Counties Excess Joint Insurance Fund (Fund), a public entity risk pool, established on March 1, 2010 and currently includes the following New Jersey Counties, Camden, Gloucester, Burlington, Salem, Cumberland, Union County, Mercer County, Hudson County, Ocean County and Atlantic County. Contributions established by the Fund are paid by the Camden County Insurance Commission.

**Note 10: RISK MANAGEMENT (CONT'D)**

Contributions to the Commission, including reserves for contingencies, are payable installments that are established by the Commission and are based on assumptions determined by each Commission's actuaries. The Commissioner of Insurance of the State of New Jersey may order additional assessments imposed on each member to supplement each Funds' claim, loss retention or administrative accounts to assure the payment of each Funds' obligations. The Funds publish their own financial reports for the year ended December 31, which may be obtained from:

Camden County Insurance Commission  
9 Campus Drive – Suite 16  
Parsippany, NJ 07054

New Jersey Counties Excess Joint Insurance Fund  
9 Campus Drive – Suite 16  
Parsippany, NJ 07054

The Authority is partially self-insured for workers' compensation through a joint insurance program with the County of Camden. The County submits invoices to the Authority for their share of the workers' compensation costs incurred for the year. The County has established this trust fund and as of December 31, 2014 and 2013, the balance in the Reserve for Workers' Compensation Insurance Trust Fund was \$1,737,662.86 (unaudited) and \$1,097,665.28 (unaudited). The 2015 County Budget includes an appropriation in the amount of \$1,000,000 to provide for future claims.

**Note 11: SUBSEQUENT EVENTS****Debt Service Reserve Fund Requirements (Note 2):**

Subsequent to Dec. 31, 2014, the Authority accepted a Credit Facility from Assured Municipal Corporation "AGM" in the form of Municipal Bond Debt Service Reserve Insurance Policy in the amount of \$18,000,000. The policy allows the Authority to use cash and investments in the Debt Service Reserve to make current payments for debt principal and interest up to the amount of policy. The policy serves as the replacement of the cash and investments to meet the debt service reserve requirement as indicated in Section 1.01 of the amended and restated bond resolution adopted October 10, 1995.

Before draws can be made on the policy all cash and investments in the debt service reserve fund must be used to make scheduled debt service payments. Any draws by the Authority from the policy require the payment of interest from the date of draw to the date of repayment of the higher of the prime lending rate of JP Morgan Chase Bank plus 5% or the highest amount of the bonds interest rate limited to any usury or similar laws restricting interest rates.

**New Jersey Environmental Infrastructure Trust Programs:**

Subsequent to Dec. 31, 2014, the Authority completed long term financing from the New Jersey Environmental Infrastructure Trust Programs for improvements to the City of Camden's combined sewer system. The Authority received interim financing from the Trust of \$4,242,750 in 2014. On May 28, 2015 the Authority closed on permanent financing consisting of a \$4,242,750 non-interest bearing loan, with \$2,000,000 forgiven at closing, with payments starting in 2016 thru 2034 and an interest bearing loan of \$1,325,000.00 with interest rate of 4% to 5% with payments starting in 2016 thru 2034.



**SUPPLEMENTARY SCHEDULES**

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Combining Schedule of Revenues, Expenses and Changes in Net Position  
Restricted and Unrestricted Accounts  
For the Year Ended December 31, 2014

	<u>Unrestricted</u>		<u>R e s t r i c t e d</u>				<u>Total</u>
	<u>Revenue</u>	<u>General Reserve</u>	<u>Debt Service</u>	<u>Debt Service Reserve</u>	<u>Renewal and Replacement</u>	<u>Special Reserve</u>	
Operating Revenues	\$ 88,199,899						\$ 88,199,899
Operating Expenses	36,047,883	\$ 22,300,804					58,348,687
Operating Income (Loss)	52,152,016	(22,300,804)	-	-	-	-	29,851,212
Non-operating Revenue (Expenses):							
Investment Income	15,551			\$ 215,439	\$ 148	\$ 31,975	263,113
Unrealized Gain / Loss on Investments						(15,969)	(15,969)
Interest Expense			\$ (14,242,364)				(14,242,364)
Contribution to the County of Camden		(3,310,756)					(3,310,756)
Amortization of Preoperating Costs		135,902					135,902
Cancellation of Accounts Receivable	(187,449)						(187,449)
Cancellation of Sick Time Accrual	507,557						507,557
Community Service Projects	(307,609)						(307,609)
Total Non-operating Revenue (Expenses)	28,050	(3,174,854)	(14,242,364)	215,439	148	16,006	(17,157,575)
Income (Loss) Before Contributions and Transfers	52,180,066	(25,475,658)	(14,242,364)	215,439	148	16,006	12,693,637
Transfers	(48,114,036)	40,054,825	32,998,318	(17,666,444)		(7,272,663)	
Change in Net Position	4,066,030	14,579,167	18,755,954	(17,451,005)	148	(7,256,657)	12,693,637
Total Net Position, January 1,	6,801,359	226,272,013	(59,808,914)	57,898,358	2,360,310	7,256,657	240,779,783
Total Net Position, December 31	\$ 10,867,389	\$ 240,851,180	\$ (41,052,960)	\$ 40,447,353	\$ 2,360,458	\$ -	\$ 253,473,420
Analysis of Balance, December 31:							
Net Investment in Capital Assets		\$ 240,851,180					\$ 240,851,180
Restricted for Bond Resolution Covenants			\$ (41,052,960)	\$ 40,447,353	\$ 2,360,458	\$ -	1,754,851
Unrestricted	\$ 10,867,389						10,867,389
	\$ 10,867,389	\$ 240,851,180	\$ (41,052,960)	\$ 40,447,353	\$ 2,360,458	\$ -	\$ 253,473,420

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Cash Receipts, Cash Disbursements  
 and Changes in Cash, Cash Equivalents and Investments  
 For the Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Restricted</u>				<u>Total</u>
	<u>Operating Accounts</u>	<u>Debt Service Reserve</u>	<u>Renewal and Replacement</u>	<u>Construction</u>	<u>Special Reserve</u>	
Cash, Cash Equivalents and Investments--January 1, 2014	\$ 1,622,266	\$ 51,213,511	\$ 2,360,295	\$ 3,556,465	\$ 7,256,657	\$ 66,009,194
Cash Receipts:						
User Charges	79,927,418					79,927,418
Investment Income	15,533	215,929	146		31,975	263,583
Proceeds from Issuance of Long Term Debt		9,053,864				9,053,864
Connection Fees and Other Revenues	9,041,719					9,041,719
Transfer from Other Restricted Accounts		7,288,632		12,247,748		19,536,380
Transfer from Unrestricted Accounts		48,114,036				48,114,036
Total Cash Receipts and Investments Available	<u>90,606,936</u>	<u>115,885,972</u>	<u>2,360,441</u>	<u>15,804,213</u>	<u>7,288,632</u>	<u>231,946,194</u>
Cash Disbursements:						
Operating Expenditures	37,010,250					37,010,250
Deferred Interest Revenue	207,872					207,872
Community Service Projects	307,609					307,609
Accounts Receivable	187,449					187,449
Debt Principal Payments		30,109,416				30,109,416
Interest Paid		33,218,339				33,218,339
Payment of Contribution to County of Camden		3,310,756				3,310,756
Capital Expenditures, Net of Change in Retainages				\$ 10,985,337		10,985,337
Transfer to Restricted Accounts	48,114,036					48,114,036
Transfer to Other Restricted Accounts		12,247,748			7,288,632	19,536,380
Total Cash Disbursements	<u>85,827,216</u>	<u>78,886,259</u>	<u>10,985,337</u>	<u>7,288,632</u>	<u>182,987,444</u>	<u>182,987,444</u>
Cash, Cash Equivalents and Investments--December 31, 2014	<u>\$ 4,779,720</u>	<u>\$ 36,999,713</u>	<u>\$ 2,360,441</u>	<u>\$ 4,818,876</u>	<u>\$ -</u>	<u>\$ 48,958,750</u>
<u>Analysis of Balance December 31, 2014</u>						
Cash and Cash Equivalents	\$ 4,779,720	\$ 28,879,928	\$ 2,360,441	\$ 4,818,876	\$ -	\$ 40,838,965
Investments:						
U.S. and Municipal Government Securities		8,119,785				8,119,785
	<u>\$ 4,779,720</u>	<u>\$ 36,999,713</u>	<u>\$ 2,360,441</u>	<u>\$ 4,818,876</u>	<u>\$ -</u>	<u>\$ 48,958,750</u>

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Sewer Operations -- Revenues, Operating Appropriations,  
 Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis  
 For the Year Ended December 31, 2014

	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable-- (Unfavorable)</u>
<b>Operating Revenues:</b>				
User Charges and Fees	\$ 81,909,168	\$ 81,909,168	\$ 80,687,686	\$ (1,221,482)
Connection Fees	5,185,746	5,185,746	4,815,820	(369,926)
Other Operating Revenues	2,334,849	2,334,849	2,696,393	361,544
<b>Total Operating Revenues</b>	<b>89,429,763</b>	<b>89,429,763</b>	<b>88,199,899</b>	<b>(1,229,864)</b>
<b>Non-Operating Revenues:</b>				
Interest on Investments and Deposits	10,000	10,000	223,571	213,571
Other Non-Operating Revenue	13,140,652	13,140,652	13,141,250	598
<b>Total Non-Operating Revenues</b>	<b>13,150,652</b>	<b>13,150,652</b>	<b>13,364,821</b>	<b>214,169</b>
<b>Total Budget Revenues</b>	<b>102,580,415</b>	<b>102,580,415</b>	<b>101,564,720</b>	<b>(1,015,695)</b>
<b>Operating Appropriations:</b>				
<b>Administration:</b>				
Salary & Wages	2,196,682	2,196,682	2,178,992	17,690
Fringe Benefits	2,168,495	2,168,495	1,775,119	393,376
Other Expenses	2,280,450	2,280,450	3,159,030	(878,580)
<b>Total Administration</b>	<b>6,645,627</b>	<b>6,645,627</b>	<b>7,113,141</b>	<b>(467,514)</b>
<b>Cost of Providing Services:</b>				
Salary & Wages	7,402,589	7,402,589	7,584,589	(182,000)
Fringe Benefits	2,388,176	2,388,176	2,123,851	264,325
Other Expenses	19,669,308	19,669,308	19,226,302	443,006
<b>Total Cost of Providing Services</b>	<b>29,460,073</b>	<b>29,460,073</b>	<b>28,934,742</b>	<b>525,331</b>
<b>Total Principal Payments on Debt Service</b>	<b>30,109,419</b>	<b>30,109,419</b>	<b>30,109,416</b>	<b>3</b>
<b>Total Operating Appropriations</b>	<b>66,215,119</b>	<b>66,215,119</b>	<b>66,157,299</b>	<b>57,820</b>
<b>Non-Operating Appropriations:</b>				
Contribution to the County of Camden	3,310,756	3,310,756	3,310,756	
Renewal and Replacement Reserve	4,000,000	4,000,000	4,000,000	
Interest Payments	32,365,296	32,365,296	33,218,339	(853,043)
<b>Total Non-Operating Appropriations</b>	<b>39,676,052</b>	<b>39,676,052</b>	<b>40,529,095</b>	<b>(853,043)</b>
<b>Total Budget Appropriations</b>	<b>105,891,171</b>	<b>105,891,171</b>	<b>106,686,394</b>	<b>(795,223)</b>
<b>Excess of Expenses and Other Costs over Revenues</b>	<b>\$ (3,310,756)</b>	<b>\$ (3,310,756)</b>	<b>\$ (5,121,674)</b>	<b>\$ (1,810,918)</b>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Sewer Operations -- Revenues, Operating Appropriations,  
 Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis  
 For the Year Ended December 31, 2014

---

## Adjustments to Reconcile Excess Expenses and Other Costs

Over Revenues to GAAP Basis Operating Income:		
Excess of Expenses and Other Costs over Revenues (Schedule 3)	\$	(5,121,674)
Less: Investment Income		(223,571)
Less: Other Non-Operating Revenue		(13,141,250)
Less: Depreciation		(22,300,804)
Add: Contribution to the County of Camden		3,310,756
Add: Reserve for Renewal and Replacement		4,000,000
Add: Principal Payments on Bonds		30,109,416
Add: Interest Payments		<u>33,218,339</u>
Total Operating Income (Exhibit B)	\$	<u><u>29,851,212</u></u>

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Analysis of Investment Income Receivable  
 For the Year Ended December 31, 2014

	<u>Balance Jan. 1, 2014</u>	<u>Investment Income Earned</u>	<u>Investment Income Collected</u>	<u>Balance Dec. 31, 2014</u>
Unrestricted Assets:				
Revenue Account	\$ 13	\$ 15,551	\$ 15,533	\$ 31
Restricted Assets:				
Debt Service Reserve Account	752	215,439	215,929	262
Renewal and Replacement Account	15	148	146	17
Special Reserve Account		31,975	31,975	
	<u>767</u>	<u>247,562</u>	<u>248,050</u>	<u>279</u>
	<u>\$ 780</u>	<u>\$ 263,113</u>	<u>\$ 263,583</u>	<u>\$ 310</u>

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Revenue Bonds Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Paid 2014</u>	<u>Balance Dec. 31, 2014</u>			
			<u>Date</u>	<u>Amount</u>								
2006 NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2006A - Winslow	06/22/06	\$ 3,383,431	08/01/15	\$ 233,309	5.13							
			08/01/16	246,643	5.13							
			08/01/17	255,168	5.25							
			08/01/18	268,216	5.25							
			08/01/19	285,889	5.25							
			08/01/20	298,721	5.25							
				<u>\$ 1,587,946</u>						<u>\$ 1,807,661</u>	<u>\$ 219,714</u>	<u>\$ 1,587,947</u>
2006 NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2006A	06/22/06	9,750,000	08/01/15	\$ 495,000	5.00							
				<u>\$ 495,000</u>						<u>965,000</u>	<u>470,000</u>	<u>495,000</u>
2006 NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2006A - Odor Control	06/22/06	3,088,956	08/01/15	\$ 219,668	5.13							
			08/01/16	229,121	5.13							
			08/01/17	238,569	5.25							
			08/01/18	252,728	5.25							
			08/01/19	266,828	5.25							
			08/01/20	280,949	5.25							
				<u>\$ 1,487,863</u>						<u>1,693,200</u>	<u>205,338</u>	<u>1,487,862</u>
2006 County Agreement Sewer Revenue Refunding Bonds, Series 2006B	09/20/06	100,865,000	07/15/15	\$ 10,945,000	5.00							
			07/15/16	11,495,000	5.00							
			07/15/17	12,055,000	5.00							
				<u>\$ 34,495,000</u>						<u>44,920,000</u>	<u>10,425,000</u>	<u>34,495,000</u>
2006 County Agreement Sewer Revenue Bonds, Series 2006A	10/11/06	5,000,000	07/15/15	\$ 240,000	3.55							
			07/15/16	250,000	3.60							
			07/15/17	260,000	3.75							
			07/15/18	270,000	3.75							
			07/15/19	280,000	3.80							
			07/15/20	290,000	3.85							
			07/15/21	300,000	4.05							
			07/15/22	315,000	4.05							
			07/15/23	325,000	4.05							
			07/15/24	340,000	4.05							
			07/15/25	355,000	4.05							
			07/15/26	365,000	4.05							
				<u>\$ 3,590,000</u>						<u>3,825,000</u>	<u>235,000</u>	<u>3,590,000</u>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Revenue Bonds Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Paid 2014</u>	<u>Balance Dec. 31, 2014</u>					
			<u>Date</u>	<u>Amount</u>										
2007 NJEIT Sewer Wastewater Treatment Bonds, Series 2007A	11/08/07	\$ 2,940,000	08/01/15	\$ 140,000	5.00%									
			08/01/16	145,000	5.00									
			08/01/17	155,000	5.00									
			08/01/18	160,000	5.00									
			08/01/19	170,000	4.00									
			08/01/20	175,000	4.00									
			08/01/21	185,000	5.00									
			08/01/22	195,000	5.00									
			08/01/23	205,000	4.25									
			08/01/24	210,000	4.50									
			08/01/25	220,000	4.50									
			08/01/26	230,000	4.50									
			08/01/27	240,000	4.25									
										\$ 2,430,000		\$ 2,565,000	\$ 135,000	\$ 2,430,000
			2008 NJEIT Sewer Wastewater Treatment Bonds, Series 2008A	11/08/08	6,110,000					08/01/15	\$ 260,000	5.00		
08/01/16	275,000	5.00												
08/01/17	290,000	5.00												
08/01/18	305,000	5.00												
08/01/19	320,000	5.25												
08/01/20	335,000	5.50												
08/01/21	350,000	5.50												
08/01/22	370,000	5.50												
08/01/23	390,000	5.50												
08/01/24	415,000	5.00												
08/01/25	435,000	5.00												
08/01/26	455,000	5.00												
08/01/27	480,000	5.00												
08/01/28	505,000	5.00												
						\$ 5,185,000		5,435,000	250,000	5,185,000				
2008 County Agreement Sewer Revenue Refunding Bonds (Series 2008)	06/11/08	64,885,000				07/15/15	\$ 7,895,000	5.20						
			07/15/16	8,305,000	5.25									
			07/15/17	8,740,000	5.25									
						\$ 24,940,000		32,445,000					7,505,000	24,940,000

(Continued)



**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Revenue Bonds Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Paid 2014</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>					
2010 NJEIT Sewer Wastewater Treatment Bonds, Series 2010A	03/20/10	\$ 2,105,000	08/01/15	\$ 85,000	5.00%				
			08/01/16	90,000	5.00				
			08/01/17	95,000	5.00				
			08/01/18	100,000	5.00				
			08/01/19	105,000	4.00				
			08/01/20	110,000	5.00				
			08/01/21	115,000	3.00				
			08/01/22	120,000	4.00				
			08/01/23	125,000	4.00				
			08/01/24	130,000	4.00				
			08/01/25	135,000	4.00				
			08/01/26	140,000	3.50				
			08/01/27	145,000	4.00				
			08/01/28	150,000	4.00				
			08/01/29	155,000	4.00				
2010 NJEIT Sewer Wastewater Treatment Bonds, Series 2010B	12/02/10	4,865,000	08/01/15	\$ 185,000	5.00%				
			08/01/16	195,000	5.00				
			08/01/17	205,000	5.00				
			08/01/18	215,000	5.00				
			08/01/19	225,000	5.00				
			08/01/20	235,000	5.00				
			08/01/21	245,000	5.00				
			08/01/22	260,000	5.00				
			08/01/23	270,000	5.00				
			08/01/24	285,000	5.00				
			08/01/25	300,000	5.00				
			08/01/26	315,000	5.00				
			08/01/27	330,000	5.00				
			08/01/28	350,000	5.00				
			08/01/29	365,000	5.00				
			08/01/30	385,000	5.00				
				<u>\$ 4,365,000</u>		<u>4,540,000</u>	<u>175,000</u>	<u>4,365,000</u>	
2010 NJEIT Sewer Wastewater Treatment Refunding 2003A	08/18/10	1,465,000	08/01/15	\$ 75,353	4.00%				
			08/01/16	75,793	4.00				
			08/01/17	81,553	4.20				
			08/01/18	86,296	4.25				
			08/01/19	91,375	5.00				
			08/01/20	96,265	5.00				
			08/01/21	101,053	4.50				
			08/01/22	100,449	4.75				
			08/01/23	104,291	4.75				

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Revenue Bonds Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Paid 2014</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>					
2010 NJEIT Sewer Wastewater Treatment Partial Refunding 2006A	08/18/10	\$ 609,100	08/01/24	\$ 609,100	2.14%				
				<u>\$ 609,100</u>		\$ 609,100			\$ 609,100
2012 NJEIT Sewer Wastewater Treatment Bonds, Series 2012A (CW)	05/03/12	1,100,000	08/01/15	\$ 40,000	4.00%				
			08/01/16	45,000	5.00				
			08/01/17	45,000	5.00				
			08/01/18	50,000	5.00				
			08/01/19	50,000	5.00				
			08/01/20	55,000	5.00				
			08/01/21	55,000	5.00				
			08/01/22	60,000	5.00				
			08/01/23	60,000	5.00				
			08/01/24	65,000	5.00				
			08/01/25	70,000	5.00				
			08/01/26	70,000	5.00				
			08/01/27	75,000	3.00				
			08/01/28	75,000	3.00				
			08/01/29	80,000	3.13				
			08/01/30	80,000	3.20				
			08/01/31	85,000	3.25				
				<u>\$ 1,060,000</u>		1,100,000	\$ 40,000		1,060,000
2012 NJEIT Sewer Wastewater Treatment Bonds, Series 2012A (PF) (CW)	05/03/12	14,375,000	08/01/15	\$ 570,000	4.00%				
			08/01/16	590,000	5.00				
			08/01/17	620,000	5.00				
			08/01/18	655,000	5.00				
			08/01/19	685,000	5.00				
			08/01/20	720,000	5.00				
			08/01/21	755,000	5.00				
			08/01/22	795,000	5.00				
			08/01/23	835,000	5.00				
			08/01/24	875,000	5.00				
			08/01/25	920,000	5.00				
			08/01/26	965,000	5.00				
			08/01/27	1,015,000	3.00				
			08/01/28	1,045,000	3.00				
			08/01/29	1,075,000	3.13				
			08/01/30	1,110,000	3.20				
			08/01/31	1,145,000	3.25				
				<u>\$ 14,375,000</u>		14,375,000			14,375,000

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Revenue Bonds Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Paid 2014</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>					
Treatment Refunding Bonds, Series 2012B-R (1995B)	08/14/2012	\$ 545,000	08/01/15	\$ 190,000	3.00%				
				\$ 190,000		\$ 370,000	\$ 180,000	\$ 190,000	
2012 NJEIT Sewer Wastewater Treatment Refunding Partial Series 2006A	08/14/2012	50,808,090	08/01/16	\$ 481,492	3.125%				
			08/01/17	495,610	4.00				
			08/01/18	518,237	4.00				
			08/01/19	536,474	4.00				
			08/01/20	559,152	4.00				
			08/01/21	581,949	4.00				
			08/01/22	604,010	4.00				
			08/01/23	630,382	4.00				
			08/01/25	687,611	4.00				
			08/01/26	713,173	4.00				
				\$ 5,808,090		\$ 5,808,090		5,808,090	
2013 NJEIT Sewer Wastewater Treatment Bonds, Series 2013A (CW)	05/03/12	1,820,000	09/01/15	\$ 70,000	4.00%				
			09/01/16	75,000	4.00				
			09/01/17	75,000	4.00				
			09/01/18	80,000	4.00				
			09/01/19	85,000	4.00				
			09/01/20	85,000	4.00				
			09/01/21	90,000	4.00				
			09/01/22	95,000	4.00				
			09/01/23	100,000	5.00				
			09/01/24	105,000	5.00				
			09/01/25	110,000	3.00				
			09/01/26	110,000	3.00				
			09/01/27	115,000	3.00				
			09/01/28	120,000	3.00				
			09/01/29	120,000	3.00				
			09/01/30	125,000	3.00				
			09/01/31	130,000	3.00				
			09/01/32	130,000	3.00				
				\$ 1,820,000		\$ 1,820,000		1,820,000	
2014 NJEIT IFP Green and Grey - Trust (Interim financing)	06/30/14	1,414,250	05/20/15	\$ 1,414,250	0.00%		\$ 1,414,250		1,414,250
<b>Grand Total</b>						<b>\$ 125,041,114</b>	<b>\$ 1,414,250</b>	<b>\$ 19,990,687</b>	<b>\$ 106,464,677</b>

County Agreement Sewer Revenue Refunding Bonds	\$ 59,435,000
County Agreement Sewer Revenue Bonds	3,590,000
NJEIT Refunding Bonds	10,990,427
NJEIT Interim Financing	1,414,250
NJWTT / NJEIT Serial Bonds	31,035,000
	<u>\$ 106,464,677</u>

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Loans Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Date</u>	<u>Loan Payments</u>	<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Principal Payments 2014</u>	<u>Balance Dec. 31, 2014</u>
				<u>Amount</u>				
1995 NJWTT Loan Series B	11/09/95	\$ 2,220,335	02/01/15	\$ 3,730.00				
			08/01/15	110,290				
				<u>\$ 114,020</u>				
					\$ 226,945		\$ 112,926	\$ 114,019
2000 NJEIT Loan Series 2000A-2	11/09/00	2,908,943	02/01/15	\$ 21,230.00				
			08/01/15	140,555				
			02/01/16	18,173				
			08/01/16	144,381				
			02/01/17	14,938				
			08/01/17	145,736				
			02/01/18	11,505				
			08/01/18	149,187				
			02/01/19	7,891				
			08/01/19	154,752				
			02/01/20	4,036				
			08/01/20	73,835				

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Loans Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Date</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Principal Payments 2014</u>	<u>Balance Dec. 31, 2014</u>	
					<u>Amount</u>					
2000 NJEIT Loan Series 2000B-2	11/09/00	\$ 3,501,500	02/01/15	\$ 25,008						
			08/01/15	166,480						
			02/01/16	21,382						
			08/01/16	169,006						
			02/01/17	17,599						
			08/01/17	171,374						
			02/01/18	13,563						
			08/01/18	80,212						
							\$ 664,624			
								\$ 853,498	\$ 188,874	\$ 664,624
2003 NJEIT Loan Series 2003	11/08/03	3,755,879	02/01/15	\$ 32,880						
			08/01/15	169,587						
			02/01/16	30,146						
			08/01/16	166,853						
			02/01/17	27,412						
			08/01/17	172,663						
			02/01/18	24,362						
			08/01/18	178,157						
			02/01/19	21,093						
			08/01/19	183,433						
			02/01/20	17,035						
			08/01/20	187,918						
			02/01/21	12,763						
			08/01/21	192,190						
			02/01/22	8,726						
			08/01/22	188,153						
			02/01/23	4,464						
			08/01/23	192,436						
				\$ 1,810,271						
					2,010,602	200,331	1,810,271			

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Loans Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Principal Payments 2014</u>	<u>Balance Dec. 31, 2014</u>						
			<u>Date</u>	<u>Amount</u>										
2006 NJEIT Loan Series 2006B	11/09/06	\$ 25,351,847	02/01/15	\$ 297,500										
			08/01/15	1,193,273										
			02/01/16	275,105										
			08/01/16	1,216,120										
			02/01/17	251,580										
			08/01/17	1,237,836										
			02/01/18	231,855										
			08/01/18	1,263,352										
			02/01/19	211,225										
			08/01/19	1,278,914										
			02/01/20	189,871										
			08/01/20	1,302,802										
			02/01/21	167,613										
			08/01/21	1,325,784										
			02/01/22	143,725										
			08/01/22	1,347,138										
			02/01/23	118,905										
			08/01/23	1,376,607										
			02/01/24	92,179										
			08/01/24	1,395,122										
			02/01/25	59,605										
			08/01/25	1,434,934										
			02/01/26	30,379										
			08/01/26	1,459,998										
											<u>\$ 17,901,421</u>	<u>\$ 19,389,480</u>	<u>\$ 1,488,058</u>	<u>\$ 17,901,422</u>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Loans Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Principal Payments 2014</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
2007 NJEIT Loan Series 2007A	11/08/07	\$ 7,612,500	02/01/15	\$ 99,374				
			08/01/15	349,119				
			02/01/16	93,130				
			08/01/16	351,795				
			02/01/17	86,664				
			08/01/17	363,167				
			02/01/18	79,751				
			08/01/18	365,174				
			02/01/19	72,616				
			08/01/19	375,877				
			02/01/20	66,550				
			08/01/20	378,732				
			02/01/21	60,307				
			08/01/21	390,327				
			02/01/22	52,056				
			08/01/22	399,915				
			02/01/23	43,360				
			08/01/23	409,058				
			02/01/24	35,589				
			08/01/24	410,206				
			02/01/25	27,160				
			08/01/25	419,616				
			02/01/26	18,329				
			08/01/26	428,625				
			02/01/27	9,098				
			08/01/27	437,232				
				<u>\$ 5,822,827</u>				<u>\$ 6,271,070</u>
								<u>\$ 448,243</u>
								<u>\$ 5,822,827</u>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Loans Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Principal Payments 2014</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
2008 NJEIT Loan Series 2008A	11/06/08	\$ 16,042,800	02/01/15	\$ 225,367				
			08/01/15	663,834				
			02/01/16	214,406				
			08/01/16	678,168				
			02/01/17	202,812				
			08/01/17	691,870				
			02/01/18	190,585				
			08/01/18	704,940				
			02/01/19	177,726				
			08/01/19	717,377				
			02/01/20	163,560				
			08/01/20	728,507				
			02/01/21	148,024				
			08/01/21	738,267				
			02/01/22	131,793				
			08/01/22	755,764				
			02/01/23	114,634				
			08/01/23	772,333				
			02/01/24	96,547				
			08/01/24	796,406				
			02/01/25	79,050				
			08/01/25	812,638				
			02/01/26	60,711				
			08/01/26	828,026				
			02/01/27	41,528				
			08/01/27	851,004				
			02/01/28	21,291				
			08/01/28	872,927				
				<u>\$ 12,480,095</u>	<u>\$ 13,373,511</u>	<u>\$ 893,416</u>	<u>\$ 12,480,095</u>	

(Continued)



**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Loans Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Principal Payments 2014</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
2010 NJEIT Loan Series 2010A	03/20/10	\$ 6,212,000	02/01/15	\$ 36,964				
			08/01/15	73,929				
			02/01/16	36,964				
			08/01/16	73,929				
			02/01/17	36,964				
			08/01/17	73,928				
			02/01/18	36,964				
			08/01/18	73,929				
			02/01/19	36,964				
			08/01/19	73,929				
			02/01/20	36,964				
			08/01/20	73,929				
			02/01/21	36,964				
			08/01/21	73,929				
			02/01/22	36,964				
			08/01/22	73,929				
			02/01/23	36,964				
			08/01/23	73,928				
			02/01/24	36,964				
			08/01/24	73,929				
			02/01/25	36,964				
			08/01/25	73,929				
			02/01/26	36,964				
			08/01/26	73,929				
			02/01/27	36,964				
			08/01/27	73,929				
			02/01/28	36,964				
			08/01/28	73,928				
			02/01/29	36,964				
			08/01/29	73,929				
				<u>\$ 1,663,392</u>	<u>\$ 1,774,285</u>		<u>\$ 110,893</u>	<u>\$ 1,663,392</u>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Loans Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Principal Payments 2014</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
2010 NJEIT Loan Series Fall 2010B	03/20/10	\$ 14,867,980	02/01/15	\$ 260,842				
			08/01/15	521,684				
			02/01/16	260,842				
			08/01/16	521,683				
			02/01/17	260,842				
			08/01/17	521,683				
			02/01/18	260,842				
			08/01/18	521,683				
			02/01/19	260,842				
			08/01/19	521,684				
			02/01/20	260,842				
			08/01/20	521,683				
			02/01/21	260,842				
			08/01/21	521,683				
			02/01/22	260,842				
			08/01/22	521,683				
			02/01/23	260,842				
			08/01/23	521,684				
			02/01/24	260,842				
			08/01/24	521,683				
			02/01/25	260,842				
			08/01/25	521,683				
			02/01/26	260,842				
			08/01/26	521,683				
			02/01/27	260,842				
			08/01/27	521,684				
			02/01/28	260,842				
			08/01/28	521,683				
			02/01/29	260,842				
			08/01/29	521,683				
			02/01/30	260,842				
08/01/30	521,684							
			<u>\$ 12,520,405</u>		<u>\$ 13,302,930</u>		<u>\$ 782,525</u>	<u>\$ 12,520,405</u>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Loans Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Principal Payments 2014</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
2012 NJEIT Loan Series 2012ABC (CW)	05/03/12	\$ 3,397,500	02/01/15	\$ 62,917				
			08/01/15	125,833				
			02/01/16	62,917				
			08/01/16	125,833				
			02/01/17	62,917				
			08/01/17	125,833				
			02/01/18	62,917				
			08/01/18	125,833				
			02/01/19	62,917				
			08/01/19	125,833				
			02/01/20	62,917				
			08/01/20	125,833				
			02/01/21	62,917				
			08/01/21	125,833				
			02/01/22	62,917				
			08/01/22	125,833				
			02/01/23	62,917				
			08/01/23	125,833				
			02/01/24	62,917				
			08/01/24	125,833				
			02/01/25	62,917				
			08/01/25	125,833				
			02/01/26	62,917				
			08/01/26	125,833				
			02/01/27	62,917				
			08/01/27	125,833				
			02/01/28	62,917				
			08/01/28	125,833				
			02/01/29	62,917				
			08/01/29	125,833				
			02/01/30	62,917				
			08/01/30	125,833				
02/01/31	62,917							
08/01/31	125,833							
				<u>\$ 3,208,750</u>	<u>\$ 3,397,500</u>		<u>\$ 188,750</u>	<u>\$ 3,208,750</u>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Loans Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Principal Payments 2014</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
2012 NJEIT Loan Series 2012ABC (PF) (CW)	05/03/12	\$ 34,037,500	08/01/15	\$ 456,061				
			02/01/16	278,030				
			08/01/16	906,061				
			02/01/17	728,030				
			08/01/17	1,456,061				
			02/01/18	728,030				
			08/01/18	1,456,061				
			02/01/19	728,030				
			08/01/19	1,456,061				
			02/01/20	728,030				
			08/01/20	1,456,061				
			02/01/21	728,030				
			08/01/21	1,456,061				
			02/01/22	728,030				
			08/01/22	1,456,061				
			02/01/23	728,030				
			08/01/23	1,456,061				
			02/01/24	728,030				
			08/01/24	1,456,061				
			02/01/25	728,030				
			08/01/25	1,456,061				
			02/01/26	728,030				
			08/01/26	1,456,061				
			02/01/27	728,030				
			08/01/27	1,456,061				
			02/01/28	728,030				
			08/01/28	1,456,061				
			02/01/29	728,030				
			08/01/29	1,456,061				
			02/01/30	728,030				
			08/01/30	1,456,061				
02/01/31	728,030							
08/01/31	1,092,044							
				<u>\$ 34,037,500</u>				<u>\$ 34,037,500</u>

(Continued)

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Loans Payable  
For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2014</u>	<u>Bonds Issued</u>	<u>Principal Payments 2014</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
2013 NJEIT Loan Series 2013A (CW)	09/01/13	\$ 4,624,562	08/01/15	\$ 176,212				
			02/01/16	88,106				
			08/01/16	176,212				
			02/01/17	88,106				
			08/01/17	176,212				
			02/01/18	88,106				
			08/01/18	176,212				
			02/01/19	88,106				
			08/01/19	176,212				
			02/01/20	88,106				
			08/01/20	176,212				
			02/01/21	88,106				
			08/01/21	176,212				
			02/01/22	88,106				
			08/01/22	176,212				
			02/01/23	88,106				
			08/01/23	176,212				
			02/01/24	88,106				
			08/01/24	176,212				
			02/01/25	88,106				
			08/01/25	176,212				
			02/01/26	88,106				
			08/01/26	176,212				
			02/01/27	88,106				
			08/01/27	176,212				
			02/01/28	88,106				
			08/01/28	176,212				
			02/01/29	88,106				
			08/01/29	176,212				
			02/01/30	88,106				
			08/01/30	176,212				
			02/01/31	88,106				
08/01/31	176,212							
02/01/32	88,106							
08/01/32	132,159							
				\$ 4,625,562				\$ 4,625,562
2014 NJEIT IFP Green and Grey - Fund (Interim Loan)	06/30/14	4,242,750	05/20/15	\$ 4,242,750		\$ 4,242,750		4,242,750
<b>Grand Total</b>					\$ 100,309,624	\$ 4,242,750	\$ 4,574,538	\$ 99,977,836

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
 Schedule of Capital Appreciation Bonds  
 For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds</u>		<u>Bond Accretion</u>		<u>Balance Jan. 1, 2014</u>	<u>Accretion 2014</u>	<u>Paid 2014</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>				
1990 Capital Appreciation Bonds Series A	02/22/90	\$ 115,830,388	09/01/15	\$ 14,015,000	2015	\$ 3,643,462				
			09/01/16	14,020,000	2016	2,866,799				
			09/01/17	14,020,000	2017	2,031,748				
			09/01/18	10,725,000	2018	1,214,837				
			09/01/19	10,725,000	2019	502,814				
				<u>\$ 63,505,000</u>		<u>\$ 10,259,660</u>	<u>\$ 62,899,193</u>	<u>\$ 4,366,146</u>	<u>\$ 14,020,000</u>	<u>\$ 53,245,339</u>
1990 Capital Appreciation Bonds Series B	02/22/90	121,677,020	09/01/15	\$ 18,545,000	2015	\$ 3,246,110				
			09/01/16	18,545,000	2016	2,100,652				
			09/01/17	18,545,000	2017	869,450				
				<u>\$ 55,635,000</u>		<u>\$ 6,216,212</u>	<u>63,652,008</u>	<u>4,311,780</u>	<u>18,545,000</u>	<u>49,418,788</u>
						<u>Grand Total</u>	<u>\$ 126,551,201</u>	<u>\$ 8,677,926</u>	<u>\$ 32,565,000</u>	<u>\$ 102,664,127</u>

1990 Capital Appreciation Bonds \$ 102,664,127

**CAMDEN COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**PART 2**

**SINGLE AUDIT SECTION**

**FOR THE YEAR ENDED  
DECEMBER 31, 2014**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND  
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Chairman and Commissioners of the  
Camden County Municipal Utilities Authority  
Camden County, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited the Camden County Municipal Utilities Authority's (Authority) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of Authority's major federal and state programs for the year ended December 31, 2014. The Authority's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and State of New Jersey Circular 15-08-OMB require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Authority's compliance.



**Opinion on Each Major Federal and State Program**

In our opinion, the Camden County Municipal Utilities Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2014.

**Report on Internal Control Over Compliance**

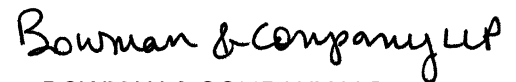
Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
June 8, 2015

## CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2014

<u>Federal Grantor/ Pass-Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity ID Number</u>	<u>Local Government Identifying Number</u>	<u>Program or Award Amount</u>	<u>Matching Contribution</u>	<u>Grant Period</u>	
						<u>From</u>	<u>To</u>
<u>U.S. Department of Environmental Protection Agency</u>							
Pass Through N.J. Department of Environmental Protection Agency							
Capitalization Grants for Clean Water State Revolving Funds							
Atlantic Basin Interceptor Project	66.458	640-10-1 (Fund)	0132-052, 056	\$ 4,625,562	N/A	11/02/12	08/01/32
Total U.S. Department of Environmental Protection Agency							
Total Federal Awards							

The accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance and Notes to Financial Statements are an integral part of this schedule.

---

<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Receipts or</u> <u>Revenue</u> <u>Recognized</u>	<u>Disbursements</u> <u>or Expenditures</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>(Memo Only)</u>	
				<u>Cash Received</u> <u>(Memo Only)</u>	<u>Accumulated</u> <u>Expenditures</u>
\$ 1,858,037		\$ 1,858,037	\$ -	\$ 1,905,845	\$ 4,625,562
1,858,037	-	1,858,037	-	1,905,845	4,625,562
<u>\$ 1,858,037</u>	<u>\$ -</u>	<u>\$ 1,858,037</u>	<u>\$ -</u>	<u>\$ 1,905,845</u>	<u>\$ 4,625,562</u>

## CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2014

<u>State Grantor/ Program Title</u>	<u>State GMIS Number</u>	<u>Pass-through Grantors' Number</u>	<u>Local Government Identifying Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>	
					<u>From</u>	<u>To</u>
<u>Department of Environmental Protection:</u>						
NJ Environmental Infrastructure Trust Program:						
Winslow Sewer Treatment Plant Expansion	N/A	640-05	0132-052, 056	\$ 6,678,630	11/01/00	11/01/20
System Upgrade, Combined Sewer Solids and Floatables Control Facilities	N/A	640-08-1,709-03,04	0132-052, 056	34,478,511	11/01/06	08/01/26
Supplemental Grant for Sludge Drying, Pure Oxygen System	N/A	640-06,09,11-1	0132-052, 056	20,022,213	11/01/10	08/01/30
Atlantic Basin Interceptor (Trust Only)	N/A	640-10	0132-052, 056	14,513,000	11/01/11	08/01/31
Atlantic Basin Interceptor (Trust Only)	N/A	640-10-1	0132-052, 056	1,863,074	11/02/12	08/01/32
NJ Environmental Infrastructure Trust Interim Financing Program:						
Camden City Green & Grey Infrastructure Improvement Project	N/A	640-14	0132-052, 056	5,657,000	06/30/14	05/20/15
Passed thru City of Camden:						
Central Gateway Project	N/A	366-08	0132-013	3,334,000	11/01/08	08/01/28
Total Department of Environmental Protection						
Total State Financial Assistance						

(1) Appropriation Canceled

The accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance and Notes to Financial Statements are an integral part of this schedule.

<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Receipts or</u> <u>Revenue</u> <u>Recognized</u>	<u>Key</u>	<u>Adjustment</u>	<u>Disbursements</u> <u>or Expenditures</u>	<u>Balance</u> <u>Dec. 31, 2014</u> <u>Project Funds</u> <u>Balance</u>	<u>Unreimbursed</u> <u>Expenditures</u>	<u>Cash Received</u> <u>(Memo Only)</u>	<u>Accumulated</u> <u>Expenditures</u>
\$ 193,088					\$ 193,088			\$ 6,485,542
6,351,967				\$ 2,215,782	4,136,185	\$ 234,192	\$ 2,132,454	30,342,326
							1,509,514	20,022,213
46,100				46,100			46,100	14,513,000
867,496				867,496			883,432	1,863,074
	\$ 5,657,000			2,258,235	3,398,765	439,143	1,819,092	2,258,235
136,718		(1)	\$ (136,718)					3,334,000
7,595,369	5,657,000		(136,718)	5,387,613	7,728,038	673,335	6,390,592	78,818,390
\$ 7,595,369	\$ 5,657,000		\$ (136,718)	\$ 5,387,613	\$ 7,728,038	\$ 673,335	\$ 6,390,592	\$ 78,818,390

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Year Ended December 31, 2014

---

Note 1: **GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Camden County Municipal Utilities Authority, County of Camden, State of New Jersey. The Authority is defined in the Notes to the Financial Statements, Note 1.

Note 2: **BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the accrual basis of accounting as promulgated by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is described in the Notes to the Financial Statements, Note 1.

Note 3: **RELATIONSHIP TO FINANCIAL STATEMENTS**

The amounts reported in the accompanying schedules agree with amounts reported in the Authority's financial statements.

Note 4: **RELATIONSHIP TO FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with amounts reported in the related federal and state financial reports.

Note 5: **MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**CAMDEN COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**PART 3**

**SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2014**







**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2014

---

***Section 2- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**None**

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2014

---

***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

**None**

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2014

---

***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 15-08-OMB.

**None**

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**

Summary Schedule of Prior Year Audit Findings  
And Questioned Costs as Prepared by Management

---

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

None

**FEDERAL AWARDS**

None

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None

31700

**APPRECIATION**

We express our appreciation for the assistance and courtesies rendered by the Authority officials during the course of the audit.

Respectfully submitted,

*Bowman & Company LLP*  
BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

