

**CUMBERLAND COUNTY UTILITIES AUTHORITY**  
**SCHEDULE OF REVENUES AND COSTS FUNDED BY**  
**REVENUES COMPARED TO BUDGET - BUDGETARY BASIS**  
**YEAR ENDED DECEMBER 31, 2013**

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2012 (RESTATED)

	2013 BUDGET	2013 ACTUAL	2012 ACTUAL (RESTATED)
<b>EXPENSES (CONTINUED):</b>			
Administrative and General Expenses:			
Salaries and Wages	\$ 440,950	\$ 448,133	\$ 472,188
Employee Benefits	315,825	291,178	317,638
Office Supplies and Expense	39,200	32,829	21,997
Professional Services	196,500	161,440	161,979
Insurance	72,700	74,695	74,324
Conferences and Education	15,000	8,227	5,759
Utilities	43,000	42,509	45,290
Dues and Subscriptions	8,000	6,974	7,971
Maintenance of General Property	41,000	30,747	30,642
Permits and Fees	64,046	60,636	73,402
Provision for Bad Debts	2,000	4,806	
Other Administrative Fees	8,000	4,497	4,119
	<u>1,246,221</u>	<u>1,166,671</u>	<u>1,215,309</u>
Interest Expense	<u>304,369</u>	<u>264,015</u>	<u>298,256</u>
<b>OTHER COSTS FUNDED BY REVENUES:</b>			
Principal Maturities	972,095	974,551	1,190,109
Capital Outlays	118,800	50,397	57,213
Plant Reconstruction & Replacement	50,000	50,000	60,000
User Revenue Reserve Fund	50,000	50,000	
	<u>1,190,895</u>	<u>1,124,948</u>	<u>1,307,322</u>
<b>TOTAL COSTS FUNDED BY REVENUES</b>	<u>6,131,460</u>	<u>5,841,887</u>	<u>5,896,856</u>
<b>REVENUES OVER COSTS FUNDED BY REVENUES</b>	<u>\$ -</u>	<u>612,418</u>	<u>603,835</u>
<b>Reconciliation of Budgetary Basis to Change in Net Position:</b>			
Adjustments to Budgetary Basis:			
Interest Income not used for Operations		52,614	31,548
Capital Outlays		50,397	57,213
Plant Reconstruction & Replacement Funds		50,000	60,000
User Revenue Reserve Fund		50,000	
Principal Maturities		974,551	1,190,109
Increase (Decrease) in Fair Value of Investments		(116,304)	(3,858)
Gain (Loss) on Disposal of Capital Assets		47,600	200
Debt Issue Costs Incurred		(67,243)	(24,176)
Amortization Charged to Interest Expense		(22,629)	(35,958)
Depreciation Expense		<u>(1,012,542)</u>	<u>(1,072,319)</u>
<b>CHANGE IN NET POSITION PER EXHIBIT B</b>		<u>\$ 618,862</u>	<u>\$ 806,594</u>

CUMBERLAND COUNTY UTILITIES AUTHORITY  
 SCHEDULE OF SEWER REVENUE BONDS PAYABLE  
 DECEMBER 31, 2013

	ORIGINAL		INTEREST RATE	MATURITIES		BALANCE JANUARY 1, 2013	ISSUED 2013	PAID 2013	BALANCE DECEMBER 31, 2013
	DATE	AMOUNT		DATE	AMOUNT				
Issue of 2006A	3/28/2006	6,055,000	4.00%	3/1/2014	620,000	\$ 3,570,000	\$ -	\$ 590,000	\$ 2,980,000
			4.00%	3/1/2015	650,000				
			4.00%	3/1/2016	690,000				
			4.00%	3/1/2017	710,000				
			4.00%	3/1/2018	70,000				
			4.00%	3/1/2019	75,000				
			4.00%	3/1/2020	80,000				
		4.00%	3/1/2021	85,000					
Issue of 2006B	4/18/2006	2,430,000	4.00%	3/1/2014	160,000	1,630,000	-	155,000	1,475,000
			4.00%	3/1/2015	165,000				
			4.00%	3/1/2016	175,000				
			4.10%	3/1/2017	180,000				
			4.10%	3/1/2018	185,000				
			4.20%	3/1/2019	195,000				
			4.20%	3/1/2020	205,000				
		4.20%	3/1/2021	210,000					
						\$ 5,200,000	\$ -	\$ 745,000	\$ 4,455,000

CUMBERLAND COUNTY UTILITIES AUTHORITY  
 SCHEDULE OF LOANS PAYABLE  
 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
 DECEMBER 31, 2013

	ORIGINAL		INTEREST RATE	MATURITIES		BALANCE JANUARY 1, 2013	ISSUED 2013	PRINCIPAL REDUCTION 2013	PAID 2013	BALANCE DECEMBER 31, 2013
	DATE	AMOUNT		DATE	AMOUNT					
2001 Trust Loan Agreement	10/15/2001	\$ 950,000	5.00%	8/1/2014	55,000	\$ 560,000	\$ -	\$ -	\$ 50,000	\$ 510,000
			5.00%	8/1/2015	55,000					
			5.00%	8/1/2016	60,000					
			5.00%	8/1/2017	60,000					
			5.00%	8/1/2018	65,000					
			5.00%	8/1/2019	70,000					
			4.75%	8/1/2020	70,000					
			4.75%	8/1/2021	75,000					
2001 Fund Loan Agreement	10/15/2001	\$ 1,000,000	N/A	2014	52,049	458,649	-	-	50,587	408,062
				2015	50,263					
				2016	51,724					
				2017	49,776					
				2018	51,075					
				2019	52,211					
				2020	49,938					
			2021	51,026						
2010 Trust Loan Agreement	12/2/2010	\$ 875,000	5.00%	8/1/2014	30,000	\$ 845,000	\$ -	\$ -	\$ 30,000	\$ 815,000
			5.00%	8/1/2015	35,000					
			5.00%	8/1/2016	35,000					
			5.00%	8/1/2017	35,000					
			5.00%	8/1/2018	40,000					
			5.00%	8/1/2019	40,000					
			5.00%	8/1/2020	45,000					
			5.00%	8/1/2021	45,000					
			5.00%	8/1/2022	45,000					
			5.00%	8/1/2023	50,000					
			5.00%	8/1/2024	50,000					
			5.00%	8/1/2025	55,000					
			5.00%	8/1/2026	55,000					
		5.00%	8/1/2027	60,000						
		5.00%	8/1/2028	60,000						
		5.00%	8/1/2029	65,000						
		5.00%	8/1/2030	70,000						

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CUMBERLAND COUNTY UTILITIES AUTHORITY  
 SCHEDULE OF LOANS PAYABLE  
 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
 DECEMBER 31, 2013

	ORIGINAL		INTEREST RATE	MATURITIES		BALANCE JANUARY 1, 2013	ISSUED 2013	PRINCIPAL REDUCTION 2013	PAID 2013	BALANCE DECEMBER 31, 2013
	DATE	AMOUNT		DATE	AMOUNT					
2010 Fund Loan Agreement	12/2/2010	\$ 938,785	N/A	2014	47,735	627,084			47,735	579,349
				2015	47,735					
				2016	47,735					
				2017	47,735					
				2018	47,735					
				2019	47,735					
				2020	47,735					
				2021	47,735					
				2022	47,735					
				2023	47,735					
				2024	47,735					
				2025	47,735					
				2026	6,529					
2013 Trust Loan Agreement	5/22/2013	\$ 485,000	3.00%	8/1/2014	20,000		\$ 485,000	\$ -	\$ -	\$ 485,000
			4.00%	8/1/2015	20,000					
			4.00%	8/1/2016	20,000					
			4.00%	8/1/2017	20,000					
			4.00%	8/1/2018	20,000					
			4.00%	8/1/2019	20,000					
			4.00%	8/1/2020	20,000					
			4.00%	8/1/2021	25,000					
			4.00%	8/1/2022	25,000					
			5.00%	8/1/2023	25,000					
			5.00%	8/1/2024	25,000					
			3.00%	8/1/2025	25,000					
			3.00%	8/1/2026	30,000					
		3.00%	8/1/2027	30,000						
		3.00%	8/1/2028	30,000						
		3.00%	8/1/2029	30,000						
		3.00%	8/1/2030	30,000						
		3.00%	8/1/2031	35,000						
		3.00%	8/1/2032	35,000						

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CUMBERLAND COUNTY UTILITIES AUTHORITY  
 SCHEDULE OF LOANS PAYABLE  
 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
 DECEMBER 31, 2013

	ORIGINAL		INTEREST RATE	MATURITIES		BALANCE JANUARY 1, 2013	ISSUED 2013	PRINCIPAL REDUCTION 2013	PAID 2013	BALANCE DECEMBER 31, 2013
	DATE	AMOUNT		DATE	AMOUNT					
2013 Fund Loan Agreement	5/22/2013	\$ 1,511,250	N/A	2014	76,843	\$ -	\$ 1,511,250	\$ -	\$ 51,229	\$ 1,460,021
				2015	76,843					
				2016	76,843					
				2017	76,843					
				2018	76,843					
				2019	76,843					
				2020	76,843					
				2021	76,843					
				2022	76,843					
				2023	76,843					
				2024	76,843					
				2025	76,843					
				2026	76,843					
				2027	76,843					
				2028	76,843					
				2029	76,843					
				2030	76,843					
				2031	76,843					
				2032	76,847					
						\$ 2,490,733	\$ 1,996,250	\$ -	\$ 229,551	\$ 4,257,432

CUMBERLAND COUNTY UTILITIES AUTHORITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2013

FEDERAL GRANTOR/ PROGRAM TITLE/ PASS-THROUGH	FEDERAL CFDA	STATE CONTRACT NUMBER	PROGRAM/ AWARD AMOUNT	GRANT PERIOD	BALANCE JANUARY 1, 2013	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) DECEMBER 31, 2013
U.S. ENVIRONMENTAL PROTECTION AGENCY: Clean Water State Revolving Fund Passed Through: NJDEP New Jersey Environmental Infrastructure Trust - Loans Series 2013	66.458	S340550-06	\$ 1,511,250	N/A	-	\$ 1,156,616	\$ (1,474,151)	\$ (317,535)
Total Federal Award			\$ 1,511,250		\$ -	\$ 1,156,616	\$ (1,474,151)	\$ (317,535)

CUMBERLAND COUNTY UTILITIES AUTHORITY  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 YEAR ENDED DECEMBER 31, 2013

STATE FUNDING DEPARTMENT	STATE PROGRAM	CONTRACT NUMBER IF APPLICABLE	PROGRAM/ AWARD AMOUNT	GRANT PERIOD	BALANCE JANUARY 1, 2013	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) DECEMBER 31, 2013
New Jersey Environmental Infrastructure Trust - Loans	Trust Loan - Series 2013	S340550-06	\$ 503,750	N/A	\$ -	\$ 385,538	\$ (491,383)	\$ (105,845)
Total State Financial Assistance			\$ 503,750		\$ -	\$ 385,538	\$ (491,383)	\$ (105,845)

**CUMBERLAND COUNTY UTILITIES AUTHORITY  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2013**

**NOTE 1 GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include the state loan activity of the Cumberland County Utilities Authority and is presented on the accrual method of accounting which is also the method used in the preparation of the basic financial statements.

**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 in accordance with generally accepted accounting principles.

**NOTE 3 RELATIONSHIP TO THE FINANCIAL STATEMENTS**

The financial statements are also presented on the accrual basis of accounting in accordance with generally accepted accounting principles and agree with the Schedules of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 4 RELATIONSHIP TO FEDERAL/STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related financial reports submitted to the funding agencies.



**CUMBERLAND COUNTY UTILITIES AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013**

**Part 1 - Summary of Auditor's Results**

**Financial Statement Section**

Type of auditor's report issued :	<u>Unqualified</u>
Internal control over financial reporting :	
Material weakness(es) identified ?	<u>          </u> yes <u>  X  </u> no
Were significant deficiencies(s) identified that were not considered to be a material weakness?	<u>          </u> yes <u>  X  </u> none reported
Noncompliance material to the financial statements noted?	<u>          </u> yes <u>  X  </u> no

**Federal Awards**

Internal control over compliance:	
Material weaknesses identified?	<u>          </u> yes <u>  X  </u> no
Were significant deficiencies identified that were not considered to be a material weakness?	<u>          </u> yes <u>  X  </u> none reported

Type of auditor's report on compliance for major programs	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?	<u>          </u> yes <u>  X  </u> no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>66.458</u>	<u>Clean Water State Revolving Fund</u>

Dollar threshold used to determine Type A programs	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	<u>          </u> yes <u>  X  </u> no

CUMBERLAND COUNTY UTILITIES AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
YEAR ENDED DECEMBER 31, 2013

Part 2 - Schedule of Financial Statement Findings

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

NONE NOTED

CUMBERLAND COUNTY UTILITIES AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
YEAR ENDED DECEMBER 31, 2013

**Part 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 NOTED**

CUMBERLAND COUNTY UTILITIES AUTHORITY  
SUMMARY SCHEDULE OF PRIOR-YEAR FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
YEAR ENDED DECEMBER 31, 2013

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*, and OMB Circular A-133.

NONE NOTED

## ROSTER OF OFFICIALS

<u>Authority Members</u>	<u>Position</u>	<u>Amount of Surety Bond</u>
Albert Jones	Chairperson	
Keith I. Wasserman	Vice Chairman	
Edward Bethea	Commissioner	
Sameer Boutros	Commissioner	
Angelia L. Edwards	Commissioner	
Harvey L. Friedman	Commissioner	
Donald L. Olbrich, Sr.	Commissioner	

### Other Officials

C. Kenneth Hill	Secretary	
James F. Quinn	Treasurer	\$ 75,000
Robert J. O'Donnell	General Counsel	
G. Steven Errickson	Director	
Michael Fernandez	Deputy Director	
Patti McAllister	Assistant Secretary/Treasurer	

### Surety Company

ITT Hartford Insurance Group