

Synopsis of the audit report of the Brick Township Municipal Utilities Authority for the fiscal year ended March 31, 2011 as required by the N.J.S.A. 40A:5A-16.

**BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**Statements of Net Assets**  
**March 31, 2011 and 2010**

	2011	2010
<b>ASSETS</b>		
Unrestricted current assets:		
Cash and investments	\$ 12,876,142	\$ 12,928,700
Accounts receivable	2,611,492	2,875,799
Grants receivable	328,800	-
Note receivable - current portion	-	3,553
Accrued interest receivable	-	2,014
Inventory - supplies	483,591	491,266
Prepaid expenses	235,396	197,244
Total unrestricted current assets	16,535,421	16,498,576
Restricted current assets:		
Cash and cash equivalents	17,429,143	19,504,855
Investments	5,410,000	6,963,500
Assets held in trust with NJ Environmental Infrastructure Trust	3,803,011	5,571,570
Accrued interest receivable	2,196	30,542
Total restricted current assets	26,644,350	32,070,467
Property and equipment, net	105,389,472	108,220,675
Other assets:		
Debt issue costs, net	1,335,227	1,465,543
Loss on defeasement, net	1,494,488	432,591
Bond discount, net	563,894	649,716
Total other assets	3,393,609	2,547,850
Total assets	151,962,852	159,337,568

**BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY****Statements of Net Assets (continued)****March 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>LIABILITIES</b>		
Unrestricted current liabilities:		
Accounts payable and accrued expenses	927,028	1,648,447
Accrued estimated litigation settlement	629,103	-
Deferred income	<u>1,777,091</u>	<u>1,854,078</u>
Total unrestricted current liabilities	<u>3,333,222</u>	<u>3,502,525</u>
Restricted current liabilities:		
Accounts payable	677,401	87,383
Bonds payable, current portion	7,011,295	6,732,242
Accrued interest payable	960,334	1,038,705
Deferred income	387,304	378,914
Developer escrow	219,888	239,600
Retainage payable	<u>97,829</u>	<u>69,693</u>
Total restricted current liabilities	<u>9,354,051</u>	<u>8,546,537</u>
Long-term liabilities:		
Bonds payable, net of current portion	65,846,825	73,422,310
Net OPEB obligation	29,367,531	26,500,974
Unamortized bond premium, net	2,135,019	2,272,174
Reserve for compensated absences	<u>1,026,302</u>	<u>985,625</u>
Total long-term liabilities	<u>98,375,677</u>	<u>103,181,083</u>
Total liabilities	<u>111,062,950</u>	<u>115,230,145</u>
<b>NET ASSETS</b>		
Investments in capital assets, net of related debt	33,789,942	27,584,060
Restricted and unrestricted net assets:		
Reserved for debt service	10,479,585	10,390,982
Reserved for renewal and replacement	500,000	500,000
Reserved for future construction	5,504,892	6,621,042
Unreserved	<u>(9,374,517)</u>	<u>(988,661)</u>
Total restricted and unrestricted net assets	<u>7,109,960</u>	<u>16,523,363</u>
Total net assets	<u>\$ 40,899,902</u>	<u>\$ 44,107,423</u>

**BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**For the years ended March 31, 2011 and 2010**

	2011	2010
Operating revenues:		
Operating revenue	\$ 33,533,223	\$ 30,563,666
Other fees	401,313	223,724
Interest on delinquent fees	151,617	217,972
Miscellaneous income	341,964	300,961
Total revenues	34,428,117	31,306,323
Operating expenses:		
Cost of providing service	16,688,823	15,982,561
General and administrative	7,482,323	7,183,632
Depreciation	6,838,793	6,907,339
Total operating expenses	31,009,939	30,073,532
Operating income	3,418,178	1,232,791
Non-operating revenues (expenses):		
Interest on investments	277,104	527,095
Interest expense	(3,252,859)	(3,481,981)
Grant revenue	394,799	-
Change in net OPEB obligation	(2,866,557)	(2,866,557)
Transfer to the Township of Brick	(1,000,000)	(952,570)
Loss on disposal of assets	(20,360)	(57,074)
Amortization of bond premium/discount	60,730	-
Reservoir sponsorship and scrap fund deposits	1,503	3,920
Amortization of debt issue cost	(130,316)	(67,305)
Amortization on loss on defeasement	(274,030)	(199,812)
Total non-operating expenses	(6,809,986)	(7,094,284)
Net income (loss)	(3,391,808)	(5,861,493)
Extraordinary gain	100,598	-
Extraordinary loss	(629,103)	-
Net loss after extraordinary items	(3,920,313)	(5,861,493)
Restricted and unrestricted net assets, April 1	16,523,363	20,876,385
Contributed capital	712,792	216,735
Net change in investments in capital assets, net of related debt	(6,205,882)	1,291,736
Restricted and unrestricted net assets, March 31	7,109,960	16,523,363
Investments in capital assets, net of related debt, April 1	27,584,060	28,875,796
Net decrease in capital assets	(2,831,203)	(5,376,106)
Decrease in related debt	9,037,085	4,084,370
Investments in capital assets, net of related debt, March 31	33,789,942	27,584,060
Total net assets, March 31	\$ 40,899,902	\$ 44,107,423

For the year ended March 31, 2011 there were the following recommendations:

2010-01: All deposits must be made within forty-eight (48) hours of receipt regardless of size.

The above synopsis was prepared from the report of the audit of the Brick Township Municipal Utilities Authority as of March 31, 2011.

This report of audit, submitted by Holman & Frenia, P.C., Certified Public Accountants, is on file at the office of the Brick Township Municipal Utilities Authority, 1551 Highway 88 West, Brick, New Jersey 08724 and may be inspected by any interested person.