

**THE TOWNSHIP OF HANOVER SEWERAGE AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF HANOVER)**

Summary or Synopsis of audit report of the Hanover Sewerage Authority for
the fiscal year ended November 30, 2015 as required by N.J.S.A. 40A:5-16.

**STATEMENT OF NET POSITION
ENTERPRISE FUNDS
NOVEMBER 30, 2015**

	Business-type Activities - Enterprise Funds <u>Sewer</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 6,915,492.41
Cash Restricted - Customer Deposits	147,009.95
Accounts Receivable	5,865,457.92
Prepaid Expenses	<u>12,854.23</u>
Total Current Assets	<u>12,940,814.51</u>
Noncurrent Assets:	
Capital Assets Not Being Depreciated:	
Land	381,455.00
Construction in Progress	<u>22,240,173.31</u>
	<u>22,621,628.31</u>
Capital Assets Being Depreciated:	
Capital Assets	46,423,327.18
Less: Accumulated Depreciation	<u>(26,839,915.11)</u>
	<u>19,583,412.07</u>
Total Noncurrent Assets	<u>42,205,040.38</u>
Total Assets	<u>55,145,854.89</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Deferred Outflows	<u>1,038,774.00</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	638,615.59
Prepaid Revenue	13,160.32
Other Liabilities	7,596.71
Contracts Payable	5,369,041.27
Loan Payable	728,711.28
Customer Deposits	<u>147,009.95</u>
Total Current Liabilities	<u>6,904,135.12</u>
Noncurrent Liabilities:	
Loans Payable	13,173,202.55
Net Pension Liability	5,299,745.00
Compensated Absences	<u>74,911.00</u>
Total Noncurrent Liabilities	<u>18,547,858.55</u>
Total Liabilities	<u>25,451,993.67</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Deferred Inflows	<u>116,099.00</u>
NET POSITION	
Net Investment in Capital Assets	28,303,126.55
Restricted/Assigned for:	
Plant Expansion	3,072,429.91
Unrestricted/Unassigned	<u>(759,020.24)</u>
Total Net Position	<u>\$ 30,616,536.22</u>

**THE TOWNSHIP OF HANOVER SEWERAGE AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF HANOVER)**

**SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(CONCLUDED)**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>
	<u>Sewer</u>
Operating Revenues:	
Service Charges	\$ 5,586,966.76
Other Operating Revenues	421,948.37
Total Operating Revenues	<u>6,008,915.13</u>
Operating Expenses:	
Salaries and Wages	1,800,202.07
Fringe Benefits	868,986.96
Other Expenses	2,200,065.87
Depreciation	1,074,984.34
Total Operating Expenses	<u>5,944,239.24</u>
Operating Income	<u>64,675.89</u>
Nonoperating Revenues (Expenses):	
Connection Fees	960,200.00
Additions to Capital Assets Paid from Budget	37,785.37
Accounts Payable Canceled	18,570.38
Compensated Absences Charged	(24,285.00)
Adjustment for Net Pension Liability	(151,825.00)
Debt Service Interest	(179,888.84)
Interest on Investments	16,822.97
Total Nonoperating Revenues (Expenses)	<u>677,379.88</u>
Change in Net Position	742,055.77
Total Net Position—Beginning (Restated)	<u>29,874,480.45</u>
Total Net Position—Ending	<u>\$ 30,616,536.22</u>

RECOMMENDATIONS:

NONE

The above summary or synopsis was prepared from the report of audit for the Township of Hanover Sewerage Authority for the fiscal year ended November 30, 2015.

This report of audit, submitted by Vincent M. Montanino, Registered Municipal Accountant and Michael S. Zambito, Certified Public Accountant is on file with the Secretary at the Authority's Office located at Route 10, Whippany, New Jersey 07981.