

AGENDA
CUMBERLAND COUNTY UTILITIES AUTHORITY
SPECIAL MEETING OF
JUNE 28, 2016
4:30 P.M.

1. CALL TO ORDER
2. ANNOUNCEMENT THAT ADEQUATE NOTICE OF THIS MEETING WAS PROVIDED IN ACCORDANCE WITH CHAPTER 231, P.L. 1975 (THE OPEN PUBLIC MEETINGS ACT)
3. FLAG SALUTE
4. ROLL CALL
5. REPORTS
6. RESOLUTIONS
 - A. RESOLUTION ACKNOWLEDGING THE RECEIPT AND CERTIFYING THE REVIEW OF THE 2015 AUDIT REPORT
7. CHAIRMAN'S REMARKS
8. OPEN FLOOR FOR COMMENTS OF COMMISSIONERS
9. PUBLIC PORTION
10. ADJOURNMENT

SPECIAL MEETING
CUMBERLAND COUNTY UTILITIES AUTHORITY
JUNE 28, 2016

The Cumberland County Utilities Authority (CCUA) held a Special Meeting on Tuesday, June 28, 2016 in the Meeting Room of the Operations Building, 333 Water Street, Bridgeton, NJ

Representing the CCUA:
Albert Jones, Chairperson
Keith Wasserman, Vice Chairman
Harvey Friedman, Commissioner
Zarko Rajacich, Commissioner
Doug VanSant, Commissioner
Jerry Young, Commissioner
G. Steven Errickson, Director
Stephen Testa, Auditor
Patti McAllister, Assistant Secretary/Treasurer
Michael Fernandez, Deputy Director
Stephanie Mick, Administrative Assistant
Dominic Burich, Business Administrator

Chairperson Jones called the meeting to order, announced that adequate notice of this meeting has been given in accordance with Chapter 231, P.L. (THE OPEN PUBLIC MEETING ACT) and led in the flag salute.

Assistant Secretary McAllister called the roll and a quorum was present. Commissioner Edwards is noted as being absent.

Chairperson Jones called for reports.

REPORTS

Auditor

Steve Testa reported that he attended a finance and budget committee meeting and reviewed the draft of the 2015 Audit Report in detail. Draft copies of the audit report were also sent to the rest of the Commissioners for their review. Hearing no comments on the Draft Report, final copies were provided to the Authority today.

He briefly reviewed some of the highlights of the Audit Report, stating first, a global statement. The implementation of GASB 68 & GASB 71, both related to reporting pension information, resulted a restatement of the 12/31/13 net position as well as the prior year (2014) financial statements. It also resulted in several additional disclosures being reported in the notes to the financial statements, as well as an additional required supplementary information section.

In the Independent Auditor's Report, the Authority received an "unmodified" or clean opinion on its financial statements for years December 31, 2015 & 2014 which states, in our opinion, the basic financial statements present fairly, in all material respects, the financial position, changes in financial position and cash flows of the Authority for the years 2015 and 2014 in accordance with GAAP.

Since this audit is subject to Government Auditing Standards, there is also a report on compliance and on internal control over financial reporting. No instances of noncompliance were required to be reported under Government Auditing Standards. There were no significant deficiencies or material weaknesses noted with respect to internal control over financial reporting.

With there being no findings and recommendations to be reported for this year, Mr. Testa commended the Authority and the administrative staff for once again doing a very good job.

With that, Mr. Testa continued with the financial highlights. The Authority's operating revenues increased approximately \$315,000 or 4.70% over the prior year. He noted, of that amount, billing to the users for Treatment Fees were 3.44% higher, primarily due to additional flows and a 2% rate increase, and Surcharge Revenue and Pretreatment Program Revenue also increased with a decrease to Septage Fees. Operating Expenses increased 5.37% over the prior year. The Operating Revenue of \$7,005,000, less the Operating Expenses of \$5,715,000, resulted in an Operating Income of \$1,290,000 which is \$23,000 less than the prior year. He also compared the Authority's Non-Operating Revenues and Expenses and the net effect is that the Authority experienced an increase in net position for financial statement purposes of approx. \$1,175,000. He further pointed out that on a Budgetary basis, the Authority reported Revenues over Costs in the amount of \$929,000, which is almost exactly what the Restated 2014 amount was.

He also pointed out that the Authority met the Rate Covenant contained in the Bond Resolution for 2015 which requires the Authority to collect revenues sufficient to meet the operating expenses and debt service.

In addition to the Audit Report, correspondence entitled "Communication to Those Charged with Governance" was provided. This explains the auditor's responsibilities, describes certain accounting practices, management's responsibilities, certain aspects of interaction with management and certain other matters that is being reported to the Commissioners that were not considered significant enough to warrant inclusion in the audit report.

He further noted that Resolution A on the agenda acknowledges the receipt and certifies the review of the 2015 audit report. This should be acknowledged by the Commissioners signing the group for affidavit. And as a result of having no findings and recommendations noted, the Authority is not required to prepare a corrective action plan.

Mr. Testa concluded his report, and answered a few questions from the Commissioners concerning the monies due to the State Pension plan.

Committees

The Finance & Budget Committee met and minutes were provided for review. Committee Chairman Wasserman stated that they met with Mr. Testa and reviewed the 2015 audit as presented, and the Committee recommends approval of Resolution A.

RESOLUTIONS

RESOLUTION (2760) ACKNOWLEDGING THE RECEIPT AND CERTIFYING THE REVIEW OF THE 2015 AUDIT REPORT, offered by Commissioner Wasserman, seconded by Commissioner VanSant and carried unanimously at roll call.

Chairman's Remarks

Chairman Jones thanked everyone for attending this Special Meeting and wished everyone a safe and happy Holiday.

Commissioners / Public Comments

There being no comments, the meeting was adjourned by a motion from Commissioner Young, seconded by Commissioner VanSant.

Respectfully submitted,



Patti McAllister, Assistant Secretary

CUMBERLAND COUNTY UTILITIES AUTHORITY

COMMISSIONER	AYE	NAY	ABSTAIN	ABSENT
ANGELIA EDWARDS	x			x
HARVEY FRIEDMAN	x			
ZARKO RAJACICH	x			
DOUG VANSANT	x			
JERRY YOUNG\	x			
KEITH WASSERMAN	x			
ALBERT JONES	x			

RESOLUTION 2760

Offered By Wasserman

Seconded By VanSant

Dated June 28, 2016

RESOLUTION ACKNOWLEDGING THE RECEIPT AND CERTIFYING THE REVIEW OF THE 2015 AUDIT REPORT

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of each local authority to cause an annual audit of its accounts to be made, and

WHEREAS, the annual audit report for the fiscal year ended December 31, 2015 has been completed and filed with the Cumberland County Utilities Authority pursuant to N.J.S.A. 40A:5A-15, and

WHEREAS, N.J.S.A. 40A:5A-17 requires the governing body of each authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled "**Findings**" and "**Recommendations**", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board, and

WHEREAS, the members of the governing body have received the annual audit and have personally reviewed the annual audit, and have specifically reviewed the sections of the annual audit report entitled "**Findings**" and "**Recommendations**" in accordance with N.J.S.A. 40A:5A-17,

NOW, THEREFORE BE IT RESOLVED, that the governing body of the Cumberland County Utilities Authority hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended December 31, 2015, and specifically has reviewed the sections of the audit report entitled "**Findings**" and "**Recommendations**", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED that the secretary of the authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution.

Passed and adopted at a special meeting of the Cumberland County Utilities Authority, held at the Authority's Administration Building, 333 Water Street, Bridgeton, New Jersey, on Tuesday afternoon, June 28, 2016 at 4:30 p.m. prevailing time.

DATED: June 28, 2016

Cumberland County Utilities Authority

**LOCAL AUTHORITIES
GROUP AFFIDAVIT FORM**

**PRESCRIBED BY
THE NEW JERSEY LOCAL FINANCE BOARD**

AUDIT REVIEW CERTIFICATE

We, the members of the governing body of the Cumberland County Utilities Authority, being of full age and being duly sworn according to law, upon our oath depose and say:

1. We are duly appointed members of the Cumberland County Utilities Authority.
2. We certify, pursuant to N.J.S.A. 40A:5A-17, that we have each reviewed the annual audit report for the fiscal year ended December 31, 2015, and specifically the sections of the audit report entitled "**Findings**" and "**Recommendations**".

(Print)

(Signature)

Albert Jones

Zarko Rajacich

Jerry Young

Angelia L. Edwards

Harvey L. Friedman

Douglas VanSant

Keith I. Wasserman

Albert Jones
Zarko Rajacich
Jerry Young
Absent
Harvey L. Friedman
Douglas VanSant
Keith I. Wasserman

Cumberland County
Utilities Authority

Sworn to and subscribed before me

this 28 day of June, 2016.