



TOMS RIVER MUNICIPAL UTILITIES AUTHORITY

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Stephen C. Acropolis, Executive Director

February 27, 2013

Board of Commissioners of
Toms River Municipal Utilities Authority
County of Ocean
Toms River, New Jersey 08753

The Management's Discussion and Analysis (MD&A) provides an overview and analysis of Toms River Municipal Utilities Authority's (the Authority) financial activities for the fiscal years ended December 31, 2012 and 2011 and as compared to the prior year. It should be read in conjunction with the accompanying financial statements.

Financial Statements

The financial statements included in this report are the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows for the years ended December 31, 2012 and 2011.

The Statements of Net Position show the financial position of the Authority at December 31st of each year. Assets are compared with liabilities and net position is the result.

The Statements of Revenues, Expenses and Changes in Net Position measure performance for each year and how this performance impacts net position.

Finally, the Statements of Cash Flows demonstrates why cash balances increased or decreased during the two years.

Financial Analysis

The Authority, at December 31, 2012, has total assets of \$66,448,537 compared to \$69,398,647 at December 31, 2011. Although total assets decreased, property, plant and equipment increased based on NJEIT work completed and Authority funded Capital Expenditures offset against the decrease attributed to NJEIT receivable based on the loans and current year depreciation.

The Authority's total liabilities of \$12,302,427 at December 31, 2012 decreased \$1,834,562 from 2011. The decrease is accounted for primarily by the decrease in deferred sewerage charges due to Super Storm Sandy and a decrease in the Authority's debt associated with the NJEIT loans.

The Authority's net position decreased \$1,115,548 for the year ended December 31, 2012. This is a combination of depreciation, reduction in connection fees and delinquent charges offset against a credit from OCUA.

Condensed Financial Information

Key Authority Financial Information for the years 2012 and 2011 include the following balances:
Financial Position:

	<u>2012</u>	<u>2011</u>
ASSETS		
Current unrestricted assets	\$ 8,970,422	\$ 11,928,988
Current restricted assets	19,904,913	24,973,734
Capital assets, net	37,573,202	32,495,925
Total assets	<u>66,448,537</u>	<u>69,398,647</u>
LIABILITIES		
Current unrestricted liabilities	1,595,222	2,920,378
Current restricted liabilities	1,941,132	1,942,469
Long-term liabilities	8,766,073	9,274,142
Total liabilities	<u>12,302,427</u>	<u>14,136,989</u>
NET POSITION		
Investments in capital assets, net of related debt	37,571,106	32,495,925
Unrestricted net position	16,575,004	22,765,733
Total net position	<u>\$ 54,146,110</u>	<u>\$ 55,261,658</u>

	<u>2012</u>	<u>2011</u>
Total revenues	\$ 18,642,609	\$ 19,156,568
Expenses	<u>(19,758,157)</u>	<u>(19,880,956)</u>
Net loss	\$ <u>(1,115,548)</u>	\$ <u>(724,388)</u>
Capital spending	\$ 7,394,952	\$ 2,012,129
Contributed by developers	20,060	212,292
Connection fees	219,226	411,758
Bonds paid down	489,474	484,474
Bonds payable, net	9,143,803	9,634,026

Authority revenues were \$433,833 under budget for 2012 and \$627,496 over budget for 2011. For 2012, this was primarily due to fewer connection fees, delinquent charges and sewerage revenues.

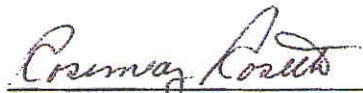
Due to Super Storm Sandy devastations the Authority has submitted an application to FEMA for the Community Disaster Loan for loss of revenues. At present the Authority is unsure the effects this devastation will have on the Authority's upcoming budgets.

The Authority's financial report is designed to provide users of the financial statements with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. The financial statements of the Authority are a matter of public record and may be examined at 340 West Water Street, Toms River, New Jersey during the Authority's business hours.

Respectfully Submitted,



Stephen Acropolis
Executive Director



Rosemary Rosetto
Controller