

Annual
Financial Report

of the

Union County Utilities Authority

For the Years Ended December 31, 2012 and 2011

Prepared By

Union County Utilities Authority

Finance Department

UNION COUNTY UTILITIES AUTHORITY

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FINANCIAL SECTION

SUPLEE, CLOONEY & COMPANY

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Union County Utilities Authority at December 31, 2012 and 2011, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America..

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union County Utilities Authority' basic financial statements. The supplementary data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary data schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Union County Utilities Authority
1499 Routes 1 & 9 North
Rahway, New Jersey 07065

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Union County Utilities Authority as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Union County Utilities Authority' financial statements, and have issued our report thereon dated April 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Union County Utilities Authority' control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Union County Utilities Authority' internal control. Accordingly, we do not express an opinion on the effectiveness of Union County Utilities Authority' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial statements report information about the Authority using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Net Position; a Statement of Cash Flows; and notes to the financial statements.

The Statement of Net Position presents the financial position of the Authority on a full accrual historical cost basis. This statement presents information on all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position is one indicator of whether the financial position of the Authority is improving or deteriorating.

While the Statement of Net Position provides information about the nature and amount of resources and obligations at year-end, the Statement of Revenues, Expenses and Changes to Net Position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The Statement of Cash Flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The Notes to the Financial Statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Summary of Organization and Business

The Union County Utilities Authority (UCUA) is a public body corporate and politic organized and existing under the Municipal and County Utilities Authorities Law. Pursuant to the Municipal and County Utilities Authorities Law constituting Chapter 183 of the pamphlet laws of 1957 of the State of New Jersey, the Authority was created by virtue of an ordinance adopted by the Board of Chosen Freeholders of the County of Union, New Jersey on June 5, 1986, as amended December 11, 1986.

The Authority has entered into a lease agreement with Covanta of Union, Inc. for the lease of the facility and facility site. In addition, the Authority entered into a waste disposal agreement with the Company for the disposal of waste by the Authority.

Other agreements entered into by the Authority include a landfill agreement with Alliance Sanitary Landfill, Inc. for the disposal of ash and bypass waste, local waste disposal agreements with 14 municipalities and the County of Union, and a county deficiency agreement with the County of Union.

The Authority receives rental payments under the lease agreement for its facilities. In addition, the Authority receives tipping fees and landfill service fees for the disposal of solid waste. Revenues for services provided but not yet billed are accrued for in the financial statement presentation.

Bonds Payable

The Authority issues bonds to finance its major projects and improvements. A summary of the Bonds Payable activity for the year is as follows:

Bonds Payable at 12/31/2011	\$228,985,000
New Bonds Issued	
Scheduled Bond Retirements	<u>(4,160,000)</u>
Bonds Payable at 12/31/2012	<u>\$224,825,000</u>

Capital Plan

The Union County Utilities Authority does not anticipate any capital improvements in the next calendar year.

Contacting the Authority's Management

Any questions about the Authority's report or if additional information is needed, please contact the Executive Director of the Union County Utilities Authority at 1499 Routes 1 and 9 North, Rahway, New Jersey 07065.

Union County Utilities Authority

Waste Flow (Tonnage)

Tonnage Delivered to the Union County Resource Recovery Facility (UCRRF):

	<u>Total Delivered Tons</u>	<u>Total Contract Delivered Tons (a)</u>
2008	556,996 Tons	182,538 Tons
2009	548,526 Tons	176,489 Tons
2010	545,630 Tons	175,516 Tons
2011	548,869 Tons	175,516 Tons
2012	547,516 Tons	169,701 Tons

(a) 14 Contracted Union County Municipalities & Union County

Union County Program Type 10 Tonnage Delivered to the UCRRF (b):

2008	102,402 Tons
2009	151,939 Tons
2010	143,945 Tons
2011	145,830 Tons
2012	132,264 Tons

(b) Non-Contracted Waste Generated in Union County Under Flow Control

Ash Tonnage Delivered to the Waste Management Landfill in Pennsylvania:

2008	126,339 Tons
2009	122,654 Tons
2010	122,469 Tons
2011	122,445 Tons
2012	115,230 Tons

Type 13 & 27 waste delivered to the TLA/CPR and NJ Meadowlands Commission:

2008	76,729 Tons
2009	103,962 Tons
2010	60,076 Tons
2011	76,532 Tons
2012	51,850 Tons

BASIC FINANCIAL STATEMENTS

UNION COUNTY UTILITIES AUTHORITY

STATEMENTS OF NET POSITION
DECEMBER 31, 2012 AND 2011

<u>LIABILITIES AND NET POSITION</u>	<u>2012</u>	<u>2011</u>
Current Liabilities:		
Accounts Payable - Operating	\$ 3,361,779	\$ 2,908,014
Deposits Payable	308,843	414,738
Accrued Interest Payable on Project Bonds	1,302,208	1,398,549
Accrued Expenses	409,539	409,066
Project Bonds Payable - Current Maturities	5,655,000	4,160,000
	<hr/>	<hr/>
<u>Total Current Liabilities</u>	11,037,369	9,290,367
	<hr/>	<hr/>
Long-Term Liabilities Payable From Restricted Assets:		
Project Bonds Payable	219,170,000	224,825,000
	<hr/>	<hr/>
<u>Total Liabilities</u>	230,207,369	234,115,367
	<hr/>	<hr/>
Deferred Inflows:		
Deferred Gain on Refunding	2,723,593	2,866,940
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	(111,864,357)	(107,992,129)
Restricted		
Bond Reserve Account	26,529,382	29,654,520
Debt Service Account	4,896,988	4,923,174
Working Capital Account	2,879,777	2,879,771
Project Account	17,980	3,090,980
Unrestricted	19,485,750	20,924,658
	<hr/>	<hr/>
Total Net Position	(58,054,480)	(46,519,026)
	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>\$ 174,876,482</u>	<u>\$ 190,463,281</u>

The accompanying Notes are an integral part of these financial statements.

UNION COUNTY UTILITIES AUTHORITY

STATEMENTS OF CASH FLOWS FOR THE YEARS
ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>Cash Flows from Operating Activities:</u>		
Receipts from Facility Lease	\$ 6,197,267	\$ 24,067,699
Receipts for Landfill Service Fees	7,193,581	5,433,810
Receipts for Tipping Fees	26,319,987	28,253,985
Miscellaneous Receipts	467,442	386,384
Payments to Suppliers	(27,317,260)	(28,325,111)
Payments to Employees	(1,106,349)	(1,076,500)
	<u>11,754,668</u>	<u>28,740,267</u>
<u>Net Cash Provided by Operating Activities</u>		
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Issuance of New Debt		205,835,000
Principal Payments on Long-Term Debt	(11,432,390)	(208,370,674)
Deferred Gain on Refunding	(143,347)	2,866,940
Premium and Cost of Issuance of New Debt	247,365	(4,947,311)
Interest Paid on Bonds	(10,568,135)	(11,107,787)
	<u>(21,896,507)</u>	<u>(15,723,832)</u>
<u>Net Cash Used in Capital and Financing Activities</u>		
<u>Cash Flows from Investing Activities:</u>		
Interest Received	330,269	37,450
Realized Loss on Investments		(330,248)
	<u>330,269</u>	<u>(292,798)</u>
<u>Net Cash Provided (Used) by Investing Activities</u>		
Net Increase (Decrease) in Cash and Cash Equivalents	(9,811,570)	12,723,637
Cash and Cash Equivalents, Beginning of Year	44,937,743	32,214,106
Cash and Cash Equivalents, End of Year	<u>\$ 35,126,173</u>	<u>\$ 44,937,743</u>
<u>Reconciliation of Operating Income to Net Cash Provided by</u>		
<u>Operating Activities:</u>		
Operating Income:	\$ 5,878,461	\$ 16,167,151
Depreciation	6,519,728	6,557,243
<u>Changes in Operating Assets and Liabilities:</u>		
Accounts Receivable	(688,717)	(1,235,854)
Lease Payments Receivable	(1,815,647)	5,259,710
Deposit on Landfill	1,512,500	1,512,500
Accounts Payable	453,765	268,866
Deposits Payable	(105,895)	210,605
Accrued Expenses	473	46
	<u>473</u>	<u>46</u>
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 11,754,668</u>	<u>\$ 28,740,267</u>

The accompanying Notes are an integral part of these financial statements.

UNION COUNTY UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

(1) GENERAL (CONTINUED)

Waste Disposal Agreement

In 1998, the Authority entered into the waste disposal agreement with Covanta of Union, Inc. (the "Company"). In 2011, the Authority amended the 1998 agreement with the refunding of the Solid Waste Senior Lease Revenue Bonds and Solid Waste Subordinate Lease Revenue Bonds.

Pursuant to the waste disposal agreement, the Company is required to accept and dispose of all acceptable waste delivered to the facility by or on behalf of the Authority. The Authority is required to deliver an amount of acceptable waste, at least equal to the guaranteed tonnage of 430,000 tons.

In the event the Authority fails to deliver the guaranteed tonnage amount, they are obligated to make shortfall payments to the Company; however, the Company is required to mitigate any shortfall deliveries of the solid waste on behalf of the Authority.

Landfill Agreement

In 1998, the Authority entered into the landfill agreement with Alliance Sanitary Landfill, Inc. under the terms of the landfill agreement, the Authority paid Alliance \$30,250,000.00 for the right to dispose of 2,500,000 tons of bypassed waste and residue for a period of 20 years. The Authority's rights under this agreement have been assigned to Ogden Martin Systems of Union, Inc.

Local Waste Agreements

In order to satisfy its obligation under the waste disposal agreement, the Authority has entered into local waste agreements with 14 municipalities and the County of Union. These agreements require the contracting participants to deliver, or cause to be delivered, all acceptable waste generated within the geographic boundaries that is collected by the participant, or on its behalf, but in no less than the participants' guaranteed tonnage. The Authority, in turn, is required to dispose of this waste in accordance with the waste disposal agreements. The Authority has executed local waste agreements providing for delivery of acceptable waste to the facility, in an aggregate amount that is at least equal to 149,100 tons.

In the event contracting municipalities fail to deliver their guaranteed tonnage amount, they are obligated to make shortfall payments to the Authority.

In July 2003, the Authority re-established regulatory flow control over all non-contract solid waste type 10 and 25 generated in Union County to provide the delivery of an additional 70,000 tons to the facility.

UNION COUNTY UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash equivalents are stated at cost which approximates market. The Authority considers all monies in banks and highly liquid investments with maturity dates of less than three months to be cash equivalents.

Investments

Investments in marketable securities and debt securities in the statement of financial position are valued at their fair values based on quoted market prices or prices which are provided by investment managers that are obtained from independent sources they believe to be reliable. Realized and unrealized gains and losses are included in the statement of activities.

Inventory

Inventory of supplies is recorded as an expense when purchased and accordingly, is not included in the statements of net assets.

Accounts Receivable

The Authority has determined that substantially all amounts recorded as tipping fees accounts receivable will be collected and, accordingly, a provision for bad debts is not necessary.

Compensated Absences

Based upon the Authority's policies regarding compensated absences, there was an accrued liability of \$155,707 and \$154,051 at December 31, 2012 and 2011, respectively.

Income Taxes

No provision for income taxes has been made as the Authority is exempt from Federal and State income taxes.

UNION COUNTY UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

In accordance with the bond resolutions securing the 2011 Resource Recovery Facility Lease Bonds, the 1998 Solid Waste Landfill Bonds and the 2011 Solid Waste System Bonds, the Authority has established various cash and investment accounts with a trustee. In addition, the bond resolutions provide restrictions on the use of funds in the accounts.

<u>FUND</u>	<u>AMOUNT</u>	<u>USE FOR WHICH RESTRICTED</u>
Revenue	Operating revenues received by the Authority.	Transfers to various accounts described below.
Operating	Transfers from Revenue Fund.	Operating Expenses.
Bond Reserve Accounts	As outlined in the bond agreements.	Provide additional security to bondholders.
Debt Service	Amount needed for principal and interest on the Authority's bonds.	Compliance with bond resolutions.
General Account	Excess revenues after other accounts have required amounts by the bond resolution.	For any lawful purpose of the Authority, provided certain requirements are met.
Rebate Account	Funds subject to rebate to the United States Government pursuant to the Internal Revenue Code and Arbitrage Regulations.	Required Rebates, as applicable.
Project Account	Funds received for payment of costs of the project.	Project costs.
Working Capital	Transfers as needed.	Service charges and disposal shortfall payments.

UNION COUNTY UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

(5) SOLID WASTE BONDS (CONTINUED)

Interest expense incurred for the year ended December 31, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
2011 Facility Lease Revenue Bonds	\$ 6,308,833	
2011 Solid Waste System Bonds	2,752,324	
1998 Landfill Taxable Revenue Bonds	1,410,637	1,569,220
1998 Senior Lease Revenue Bonds		6,049,672
1998 Subordinate Lease Revenue Bonds		688,456
1998 County Deficiency Agreement Bonds		<u>3,282,027</u>
	<u>\$10,471,794</u>	<u>\$11,589,375</u>

(6) ADVANCE REFUNDINGS – 1998 AND 2011

In 1998, the Authority issued \$323,727,990.00 of Solid Waste Bonds for the purpose of advance refunding a portion of the 1991 bonds. The proceeds of this issue were to establish an Irrevocable Escrow Account to pay the principal and interest on the 1991 bonds as they become due.

The portions of the 1991 bonds that are to be paid from this escrow are not reflected in these statements due to the creation of this Irrevocable Escrow Account.

In 2011, The Authority issued \$228,985,000 of Solid Waste Bonds for the purpose of advance refunding a portion of the 1998 bonds. The proceeds of this issue were to establish an Irrevocable Escrow Account to pay the principal and interest on the 1998 bonds as they become due.

The portions of the 1998 bonds that are to be paid from this escrow are not reflected in these statements due to the creation of this Irrevocable Escrow Account.

(7) PENSION AND RETIREMENT PLAN

All employees participate in the Public Employees' Retirement System (PERS). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges the Authority annually for its respective contributions. The plan does not maintain separate records for each Authority in the State and, therefore, the actuarial data for the Authority is not available.

The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits vest after 8-10 years of service for pension benefits and 25 years for post-retirement health care coverage. The plans are cost sharing multi-employer defined benefit plans and as such do not maintain separate records for each Authority in the state and, therefore, the actual data for the Authority is not available. The division of pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

UNION COUNTY UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

(8) CASH AND INVESTMENTS (CONTINUED)

Investments

N.J.S.A. 40A:5-15.1 provides that public funds may be invested in the following types of securities when authorized by resolution adopted by a majority vote of all its members:

- a. Bonds or other obligations of the United States of America or obligation guaranteed by the United States of America, including securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the "Investment Company Act of 1940", 54 Stat. 847 (16 U.S.C. 80a-1 et seq.), purchase and redeemed only through the use of National or State banks located within this State, if the portfolio of that investment company or investment trust is limited to bonds or other obligations of the United States of America, bonds or other obligations guaranteed by the United States of America and repurchase agreements fully collateralized by bonds or other obligations guaranteed by the United States of America, which collateral shall be delivered to or held by the investment company or investment trust, either directly or through an authorized custodian;
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal Land Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives which have a maturity date not greater than 12 months from the date of purchase.
- c. Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part of within which the school district is located;
- d. Bonds or other obligations, having a maturity date not more than 12 months from the date of purchase, approved by the Division of Investment of the Department of the Department of Treasury for investment by local units.

N.J.S.A. 52:18A-90.4 provides that the Director of the Division of Investment may, subject to the approval of the State Investments Council and the State Treasurer, establish, maintain and operate a common trust fund to be known as the State of New Jersey Cash Management Fund in which may be deposited the surplus public moneys of the state, its counties, municipalities and school districts and the agencies or authorities created by any of these entities. This fund shall be considered a legal depositor for public moneys.

At December 31, investments of the Authority consisted of the following:

	<u>2012</u>	<u>2011</u>
U.S. Government Agency Bonds and Corporate Bonds	<u>\$14,560,901</u>	<u>\$14,560,901</u>

UNION COUNTY UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

(10) OTHER ASSETS

The Authority has entered into an agreement with Alliance Sanitary Landfill, Inc. for the acquisition of certain easement and landfill license rights. Under the terms of this agreement, the Authority has paid Alliance a fee of \$30,250,000 for the right to dispose of 2,500,000 tons of ash. This fee is being amortized at \$12.10 per ton. During 2012 and 2011, 125,000 tons annually were delivered to the landfill resulting in expenses of \$1,558,521 and \$1,512,500 respectively.

(11) RISK MANAGEMENT

The Authority is a member of the New Jersey Utility Authorities Joint Insurance Fund (JIF).

The Fund was created on September 15, 1991, in accordance with P.L. 1983, C.372, entitled "An act concerning joint insurance funds for local units of government, and supplementing Chapter 10 of Title 40A of the New Jersey statutes." The Fund is both an insured and self-administered group of utility authorities established for the purpose of providing low cost insurance coverage and safety programs for the member utility authorities in order to keep insurance premiums, claims and administrative costs at a minimum.

The following coverage's are offered by the Fund to its members:

- a. Worker's Compensation and Employer's Liability
- b. Liability other than Motor Vehicles
- c. Property Damage other than Motor Vehicles
- d. Motor Vehicle
- e. Environmental Liability

The Joint Insurance Fund is also a member of The Municipal Excess Liability Joint Insurance Fund which provides excess insurance for worker's compensation and employer's liability.

(12) SUBSEQUENT EVENTS

The Authority evaluated subsequent events occurring after the financial statement date through April 19, 2013, which is the date the financial statements were available to be issued. Based on this evaluation, the Authority has determined that no subsequent events have occurred which require disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

UNION COUNTY UTILITIES AUTHORITY

SCHEDULE OF BONDS PAYABLE - DECEMBER 31, 2012

1998 SOLID WASTE LANDFILL TAXABLE REVENUE BONDS, SERIES A

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>
2013	6.75%	\$ 2,635,000
2014	6.75%	2,935,000
2015	6.75%	3,260,000
2016	6.75%	3,605,000
2017	6.75%	3,980,000
2018	6.75%	4,385,000
		<hr/>
		\$ 20,800,000
		<hr/>

NOTE: The Bonds pay interest January 15 and July 15
Principal is paid January 15

UNION COUNTY UTILITIES AUTHORITY

SCHEDULE OF BONDS PAYABLE - DECEMBER 31, 2012

2011B RESOURCE RECOVERY FACILITY LEASE REVENUE BONDS

<u>YEAR OF MATURITY</u>	<u>SERIES B INTEREST RATE</u>	<u>PRINCIPAL</u>
2013	3.60%	\$ 2,020,000
2014	1.70%	2,045,000
2015	2.14%	2,080,000
2016	2.18%	2,125,000
2017	2.57%	2,170,000
2018	3.10%	2,230,000
2019	3.10%	2,295,000
2020	3.31%	2,365,000
2021	3.52%	1,885,000
		<hr/>
	<u>TOTAL BONDS PAYABLE</u>	<u>\$ 19,215,000</u>

NOTE: The Bonds pay interest June 1 and December 1
Principal is paid June 1

UNION COUNTY UTILITIES AUTHORITY

SCHEDULE OF BONDS PAYABLE - DECEMBER 31, 2012

2011B SOLID WASTE SYSTEM BONDS

<u>YEAR OF MATURITY</u>	<u>SERIES B INTEREST RATE</u>	<u>PRINCIPAL</u>
2013	1.36%	\$ 1,000,000
2014	1.70%	1,450,000
2015	2.23%	1,475,000
2016	2.31%	1,505,000
2017	2.67%	1,540,000
2018	2.99%	1,585,000
2019	3.28%	1,630,000
2020	3.50%	1,685,000
2021	3.71%	1,740,000
2022	3.92%	1,805,000
2023	4.23%	1,875,000
2024	4.33%	1,955,000
2025	4.53%	2,040,000
2026	4.74%	550,000
		<hr/>
	<u>TOTAL BONDS PAYABLE</u>	<u>\$ 21,835,000</u>

NOTE: The Bonds pay interest June 1 and December 1
Principal is paid June 1

UNION COUNTY UTILITIES AUTHORITY

DECEMBER 31, 2012

GENERAL COMMENTS AND RECOMMENDATIONS

NONE

