

For Immediate Release

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Sewerage Authority Depleted \$2.8 Million Surplus in 18 Months

DELRAN, NJ - During this time of economic hardship for many Delran residents, the now dissolved, Delran Sewerage Authority spent its entire \$2.8 million surplus in the 18 months between January 1, 2009 and July 14, 2010 – spending the surplus down to negative \$828 by the time it was officially disbanded on July 14, 2010. Council received the final audit at their meeting on Wednesday, October 6, 2010.

“Frankly, I’m shocked,” said Councilman Tom Morrow. “For the past two years, Mayor Ken Paris, the other members of the Delran Township Council and I have had to make many, many difficult decisions to keep our budget balanced and taxes stable.”

Councilman Gary Catrambone said, “This type of unrestrained spending, by an appointed group with no accountability to the Township Council or to the residents of Delran, further reinforces that we made the right decision to the abolish the Sewerage Authority.”

Morrow added, “In my opinion, given the economic times, this was grossly inappropriate. Certainly, the residents of Delran deserve better.”

Councilman Morrow’s opponent in the November 2, 2010, Delran Township Ward 2 Council election is the former Sewerage Authority Chairman, Harry Fox.

According to Morrow, there had been a great deal of misinformation about the Council’s reasons for dissolving the Sewerage Authority. In fact, Fox produced a letter, paid for by the Authority, suggesting the action was a “power grab” aimed at “providing a tax cut for Delran residents by raiding the surplus for non-Sewer needs.”

“That was certainly not the case,” Morrow reported. “While we support lower taxes, our aim then, as it is now, is to reduce expenditures wherever possible through common sense approaches.” With the dissolution of the Sewerage Authority, we’ll be saving Delran residents \$100,000 every year through the elimination of duplicative administrative and managerial services.

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Morrow also challenged the claim that the accelerated spending was necessary due to State mandated improvements. “Although it is true there were areas that required attention, some expenditures had been put off for years and others could have been accomplished without touching the surplus.”

“This is a slap in the face to the residents who were led to believe, in Fox’s letter, that the Sewerage Authority was trying to preserve their surplus.” Catrambone added, “Now, more than ever, Delran residents need proven, effective leadership to carefully watch how resident’s money is being spent.”

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Statement of Net Assets
As of July 14, 2010 compared with December 31, 2009 and 2008

	<u>2010*</u>	<u>2009</u>	<u>2008</u>
Assets			
Current Assets	\$ 875,180	\$ 1,539,681	\$ 3,037,294
Noncurrent Assets	235,602	986,219	880,827
Capital Assets	11,083,308	11,159,895	11,709,368
Unamortized Bond Issue Costs	44,034	50,324	62,905
Total Assets	12,238,124	13,736,119	15,690,394
Liabilities			
Current Liabilities	1,565,649	1,421,388	1,419,367
Long-Term Liabilities	1,744,231	2,798,790	4,006,633
Total Liabilities	3,309,880	4,220,178	5,426,000
Net Assets			
Invested in Capital Assets	8,337,932	7,331,713	6,801,296
Restricted	591,140	643,774	652,856
Unrestricted	(829)	1,540,454	2,810,242
Total Net Assets	8,928,244	9,515,941	10,264,394

Statement of Revenues, Expenses and Changes in Net Assets
For the Period Ended July 14, 2010 compared with the
Years Ended December 31, 2009 and 2008

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating Revenues			
Service Charges	\$ 1,594,608	\$ 3,192,018	\$ 2,999,454
Connection Fees		52,368	106,138
Other Operating Revenue	17,973	35,667	60,434
Total Operating Revenues	1,612,581	3,280,053	3,166,027
Operating Expenses			
Administration	312,331	397,469	445,535
Cost of Providing Services	1,110,365	1,864,243	1,747,217
Major Repairs and Other Expenses	19,642	70,018	27,709
Depreciation	693,640	1,348,025	874,960
Total Operating Expenses	2,135,978	3,679,756	3,095,421
Net Non-Operating Inc. (Exp.)	(64,301)	(348,751)	(276,189)
Change in Net Assets	(587,697)	(748,453)	(205,583)
Net Assets--Jan. 1	9,515,941	10,264,394	10,469,977
Net Assets Dec. 31	8,928,244	9,515,941	10,264,394

*Not a full year of operations