

**SUMMARY OF SYNOPSIS OF 2011 AUDIT REPORT**  
**TWO RIVERS WATER RECLAMATION AUTHORITY**  
**AS REQUIRED BY N.J.S. 40A:5A-16**  
**COMBINED STATEMENT OF NET ASSETS**

As of October 31,

2011

2010

ASSETS

Current Assets:

Cash and Investments	\$ 3,107,237	\$ 3,837,133
Customer Charges and Sewer Billings Receivable, Net	1,925,497	1,056,086
Other Assets	17,267	14,796
	<u>5,050,001</u>	<u>4,908,015</u>

Total Current Assets

Restricted Assets:

Cash and Investments	22,099,189	21,391,252
	<u>22,099,189</u>	<u>21,391,252</u>

Total Restricted Assets

Capital Assets, Net of Depreciation

	78,204,520	80,179,057
	<u>78,204,520</u>	<u>80,179,057</u>

Deferred Charges:

Unamortized Bond Issue Costs	388,575	439,490
	<u>388,575</u>	<u>439,490</u>

Total Assets

	\$ <u>105,742,286</u>	\$ <u>106,917,813</u>
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LIABILITIES AND NET ASSETS

Current Liabilities Payable from Current Assets	\$ 1,538,002	\$ 1,586,265
Current Liabilities Payable from Restricted Assets	3,934,546	3,846,192
Long-Term Revenue Bonds Payable (Net)	29,297,850	32,815,090
Other Long-Term Liabilities	452,985	452,108
Accrued Non-Current Employee Benefits	1,711,687	1,174,649

Net Assets:

Restricted	12,839,043	13,097,199
Invested in Capital Assets, Net of Related Debt	45,372,874	43,919,909
Unrestricted	10,595,298	10,026,402
	<u>10,595,298</u>	<u>10,026,402</u>

Total Liabilities and Net Assets

	\$ <u>105,742,286</u>	\$ <u>106,917,813</u>
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**SUMMARY OF SYNOPSIS OF 2011 AUDIT REPORT**  
**TWO RIVERS WATER RECLAMATION AUTHORITY**  
**COMPARATIVE STATEMENT OF REVENUES,**  
**EXPENSES AND CHANGES IN NET ASSETS**

	<u>For the Fiscal Years Ended October 31,</u>	
	<u>2011</u>	<u>2010</u>
Operating Revenues:		
Customer Municipalities	\$ 8,059,080	\$ 7,627,062
Participating Municipalities	5,696,432	5,599,757
Other Fees	442,438	1,002,899
	<u>14,197,949</u>	<u>14,229,718</u>
Total Operating Revenues		
Operating Expenses:		
Administration and General	2,216,897	2,234,968
Treatment Plant and Main Pumping Station	5,020,222	5,058,332
Lines and System Pumping Stations	1,038,438	1,054,867
Depreciation	3,031,516	3,042,289
Renewal and Replacement	140,123	27,622
	<u>11,447,196</u>	<u>11,418,080</u>
Total Operating Expenses		
Operating Income	2,750,753	2,811,639
Non-Operating Revenues/(Expenses) - Net	<u>(987,048)</u>	<u>(960,561)</u>
Change in Net Assets	1,763,705	1,851,078
Net Assets, Beginning	<u>67,043,509</u>	<u>65,192,431</u>
Net Assets, Ending	<u>\$ 68,807,214</u>	<u>\$ 67,043,509</u>

**RECOMMENDATIONS**  
**OCTOBER 31, 2011**

It is recommended:

- 2011-1 That the general ledger be maintained accurately so as to act as a control for amounts due from participants and customer municipalities.
- 2011-2 That all vendor payments be adequately supported and that all supportive documentation be filed in a manner that facilitates response to inquiry regarding those expenditures.

The preceding summary of synopsis was prepared from the report of audit of the Two Rivers Water Reclamation Authority, County of Monmouth, New Jersey, for the years ended October 31, 2011 and 2010. The report of audit, submitted by David A. Kaplan, Certified Public Accountant, for the firm DAK CPA, is on file at the Administration Building and may be inspected by any interested person.

A corrective action plan, which outlines actions the Two Rivers Water Reclamation Authority will take to correct the findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection in the office of the Executive Director of the Two Rivers Water Reclamation Authority within 45 days of this notice.



Michael A. Gianforte, P.E.  
Executive Director