

*Synopsis of
Audit Report of the
Two Rivers Water Reclamation Authority
Monmouth County, New Jersey*

October 31, 2014

SUMMARY OF SYNOPSIS OF 2014 AUDIT REPORT
TWO RIVERS WATER RECLAMATION AUTHORITY
AS REQUIRED BY N.J.S. 40A:5A-16
COMBINED COMPARATIVE STATEMENT OF NET POSITION

	<u>As of October 31,</u>	
	<u>2014</u>	<u>2013</u> (As restated)
Assets		
Current Assets:		
Cash	\$ 8,443,570	\$ 5,069,621
Customer Charges and Sewer Billings Receivable	2,230,379	997,388
Other Assets	26,276	32,125
Total Current Assets	10,700,225	6,099,134
Restricted Assets:		
Cash and Investments	14,132,230	17,888,727
Accrued Interest and Other Assets	346,389	317,853
Total Restricted Assets	14,478,619	18,206,580
Deferred Outflows of Resources		6,810
Capital Assets, Net of Depreciation	72,869,810	74,620,435
Total Assets and Deferred Outflows of Resources	\$ 98,048,654	\$ 98,932,959

LIABILITIES AND NET POSITION

Liabilities		
Current Liabilities Payable from Unrestricted Assets	\$ 1,587,610	\$ 1,544,232
Current Liabilities Payable from Restricted Assets	3,146,914	3,113,313
Long-Term Revenue Bonds Payable (Net)	15,525,927	18,372,535
Other Long-Term Liabilities	421,754	435,448
Net Position		
Restricted	7,334,862	13,056,684
Net Investment in Capital Assets	54,505,315	53,485,316
Unrestricted:		
Designated	600,000	600,000
Undesignated	14,926,272	8,325,431
Total Liabilities and Net Position	\$ 98,048,654	\$ 98,932,959

SUMMARY OF SYNOPSIS OF 2014 AUDIT REPORT
TWO RIVERS WATER RECLAMATION AUTHORITY
COMPARATIVE STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION

	For the Fiscal Years Ended October 31,	
	<u>2014</u>	<u>2013</u> (As restated)
Operating Revenues:		
Customer Municipalities	\$ 7,644,016	\$ 7,493,430
Participating Municipalities	<u>5,773,366</u>	<u>5,758,129</u>
Total Operating Revenues	<u>13,417,382</u>	<u>13,251,559</u>
Operating Expenses:		
Administration and General	1,971,594	2,008,391
Treatment Plant and Main Pumping Station	5,647,841	6,205,287
Lines and System Pumping Stations	1,124,790	970,531
Depreciation	3,200,457	2,976,947
Renewal and Replacement	<u>122,257</u>	<u>31,022</u>
Total Operating Expenses	<u>12,066,939</u>	<u>12,192,177</u>
Operating Income	1,350,443	1,059,382
Nonoperating Revenues (Expenses) - Net	<u>548,575</u>	<u>2,097,980</u>
Change in Net Position	1,899,018	3,157,363
Total Net Position, Beginning (As restated)	<u>75,467,431</u>	<u>72,310,068</u>
Net Position, Ending	<u>\$ 77,366,449</u>	<u>\$ 75,467,431</u>

RECOMMENDATIONS
OCTOBER 31, 2014

It is recommended that:

2014-1 Payroll deductions for employees' contributions for health insurance be compliant with the requirements of Chapter 78, P.L. 2011.

2014-2 Dormant developers' escrow cash accounts be reviewed for closure.

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, 2014 and 2013. The report of audit, submitted by David A. Kaplan, Certified Public Accountant, for the firm of Wiss and Company, LLP, 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