

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

*October 31, 2015*

**SUMMARY OF SYNOPSIS OF 2015 AUDIT REPORT**  
**TWO RIVERS WATER RECLAMATION AUTHORITY**  
**AS REQUIRED BY N.J.S. 40A:5A-16**  
**COMPARATIVE STATEMENTS OF NET POSITION**

	<u>As of October 31,</u>	
	<u>2015</u>	<u>2014</u>
		(As restated)
<b>Assets and Deferred Outflows of Resources</b>		
Current Assets:		
Cash	\$ 10,655,471	\$ 8,443,570
Customer Charges and Sewer Billings Receivable	3,516,306	2,230,379
Other Assets	22,199	26,276
Total Current Assets	14,193,976	10,700,225
Restricted Assets:		
Cash and Investments	10,330,257	14,132,230
Accrued Interest and Other Assets	88,014	346,389
Total Restricted Assets	10,418,271	14,478,619
Capital Assets, Net of Depreciation	71,708,918	72,869,810
Deferred Outflows of Resources	1,371,250	314,602
Total Assets and Deferred Outflows of Resources	\$ 97,692,415	\$ 98,363,256
<b>Liabilities and Deferred Inflows of Resources</b>		
Current Liabilities Payable from Unrestricted Assets	\$ 5,548,950	\$ 1,986,011
Current Liabilities Payable from Restricted Assets	3,158,943	3,146,914
Long-Term Revenue Bonds Payable (Net)	12,593,328	15,525,927
Other Long-Term Liabilities	438,790	421,754
Net Pension Liability	8,243,126	6,658,156
Deferred Inflows of Resources	609,972	981,761
<b>Net Position</b>		
Net Investment in Capital Assets	56,190,025	54,505,315
Restricted	1,690,000	2,909,280
Unrestricted:		
Designated	3,400,000	5,025,582
Undesignated	5,819,281	7,202,556
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 97,692,415	\$ 98,363,256

**SUMMARY OF SYNOPSIS OF 2015 AUDIT REPORT**  
**TWO RIVERS WATER RECLAMATION AUTHORITY**  
**COMPARATIVE STATEMENTS OF REVENUES,**  
**EXPENSES AND CHANGES IN FUND NET POSITION**

	<u>For the Fiscal Years Ended October 31,</u>	
	<u>2015</u>	<u>2014</u>
Operating Revenues:		
Customer Municipalities	\$ 7,148,320	\$ 7,644,016
Participating Municipalities	5,823,915	5,773,366
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Total Operating Revenues	12,972,235	13,417,382
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Operating Expenses:		
Administration and General	2,032,794	1,910,963
Treatment Plant and Main Pumping Station	5,834,126	5,647,841
Lines and System Pumping Stations	1,146,308	1,124,790
Depreciation	2,856,044	3,200,457
Renewal and Replacement	225,958	122,257
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Total Operating Expenses	12,095,230	12,006,308
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Operating Income	877,005	1,411,074
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Nonoperating Revenues (Expenses) - Net	231,307	548,575
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Change in Net Position	1,108,312	1,959,649
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Special Item:		
Settlements of litigation	(3,651,739)	
	<hr/>	<hr/>
Change in Net Position after Special Item	(2,543,427)	1,959,649
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Total Net Position, Beginning	69,642,733	75,467,431
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Restatement for pension liability and related expense		(7,784,347)
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Total Net Position, Beginning, as restated	69,642,733	67,683,084
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Total Net Position, Ending	\$ <u>67,099,306</u>	\$ <u>69,642,733</u>

**RECOMMENDATIONS**  
**OCTOBER 31, 2015**

It is recommended that:

2015-1 Payroll deductions for employees' contributions for health insurance be compliant with the requirements of Chapter 78, P.L. 2011.

2015-2 The Authority's financial statement close procedures be strictly adhered to.

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, 2015 and 2014. 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.

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Michael A. Gianforte, P.E.  
Executive Director


**APPENDIX A**

**AUDIT QUESTIONNAIRE FOR AUTHORITY AUDITS**

Each question must be answered. Please circle Yes of No. If any are not applicable, insert N/A as your answer.

AUTHORITY Two Rivers Water Reclamation Authority

YEAR October 31, 2015

AUDITOR SIGNATURE 

AUDITOR FIRM WISS & COMPANY, LLP

AUDITOR ADDRESS 485C Route 1 South, Iselin, NJ 08830

AUDITOR PHONE # (732) 283-9300

*“NO” answers must be explained in detail. Attach additional sheets if more space is required. Answers to questions which indicate corrections or improvements are required and must be covered by comment and recommendation in the audit report. If not covered, explain in detail.*