

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

October 31, 2017

SUMMARY OF SYNOPSIS OF 2017 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>2017</u>	<u>2016</u>
Assets and Deferred Outflows of Resources		
Current Assets:		
Cash	\$ 4,189,675	\$ 1,354,935
Customer Charges and Sewer Billings Receivable	968,184	1,746,179
Other Assets	<u>72,239</u>	<u>277,455</u>
Total Current Assets	<u>5,230,098</u>	<u>3,378,569</u>
Restricted Assets:		
Cash and Investments	16,859,132	19,174,837
Accrued Interest and Other Assets	<u>125,082</u>	<u>120,800</u>
Total Restricted Assets	<u>16,984,214</u>	<u>19,295,637</u>
Capital Assets, Net of Depreciation	<u>70,968,826</u>	<u>72,384,829</u>
Deferred Outflows of Resources	<u>2,925,139</u>	<u>2,941,948</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 96,108,277</u>	<u>\$ 98,000,983</u>
Liabilities and Deferred Inflows of Resources		
Current Liabilities Payable from Unrestricted Assets	\$ 2,253,662	\$ 2,280,552
Current Liabilities Payable from Restricted Assets	3,547,215	3,593,227
Long-Term Revenue Bonds Payable (Net)	9,880,613	13,209,315
Other Long-Term Liabilities	462,897	469,794
Net Pension Liability	8,868,046	10,212,174
Deferred Inflows of Resources	2,327,645	735,011
Net Position		
Net Investment in Capital Assets	58,423,143	57,424,758
Restricted	1,790,000	1,790,000
Unrestricted:		
Designated	3,400,000	3,400,000
Undesignated	<u>5,155,056</u>	<u>4,886,152</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 96,108,277</u>	<u>\$ 98,000,983</u>

SUMMARY OF SYNOPSIS OF 2017 AUDIT REPORT
TWO RIVERS WATER RECLAMATION AUTHORITY
COMPARATIVE STATEMENTS OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION

	For the Fiscal Years Ended October 31,	
	2017	2016
Operating Revenues:		
Customer Municipalities	\$ 7,092,542	\$ 7,203,166
Participating Municipalities	6,000,895	5,811,300
Total Operating Revenues	13,093,437	13,014,466
Operating Expenses:		
Administration and General	2,086,224	2,361,528
Treatment Plant and Main Pumping Station	5,830,971	5,584,441
Lines and System Pumping Stations	1,058,569	1,540,574
Depreciation	3,075,802	2,973,415
Renewal and Replacement	79,114	191,330
Total Operating Expenses	12,130,680	12,651,288
Operating Income	962,757	363,178
Nonoperating Revenues (Expenses)	304,532	38,426
Change in Net Position	1,267,289	401,604
Total Net Position, Beginning	67,500,910	67,099,306
Total Net Position, Ending	\$ 68,768,199	\$ 67,500,910

**RECOMMENDATIONS
OCTOBER 31, 2017**

It is recommended that:

2017-001 The Authority's financial statement close process and procedures be strictly adhered to.

2017-002 Payroll deductions for employees' contributions for health insurance be compliant with the requirements of Chapter 78, P.L. 2011.

2017-003 Payments to employees opting out of medical and or dental insurance be compliant with the requirements of Chapter 78, P.L. 2011.

2017-004 Payments to employees receiving greater than \$5,000 for termination benefits be approved by resolution of the Board of Commissioners prior to payment.

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, 2017 and 2016. 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