

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

October 31, 2018

RECOMMENDATIONS
OCTOBER 31, 2018

It is recommended that:


- 2018-001 The Authority's financial statement close process and procedures be strictly adhered to.

- 2018-002 The Authority encumber funds and issue purchase orders prior to acquiring goods and services.

- 2018-003 The schedule of compensated absences presented for audit, be accurate.

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, 2018 and 2017. 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

SUMMARY OF SYNOPSIS OF 2018 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>2018</u>	<u>2017</u> As restated
Assets and Deferred Outflows of Resources		
Current Assets:		
Cash	\$ 4,861,338	\$ 4,189,675
Customer Charges and Sewer Billings Receivable	1,218,744	968,184
Other Assets	<u>396,969</u>	<u>72,239</u>
Total Current Assets	<u>6,477,051</u>	<u>5,230,098</u>
Restricted Assets:		
Cash and Investments	16,143,394	16,859,132
Accrued Interest and Other Assets	<u>10,086</u>	<u>125,082</u>
Total Restricted Assets	<u>16,153,480</u>	<u>16,984,214</u>
Capital Assets, Net of Depreciation	<u>69,473,557</u>	<u>70,968,826</u>
Deferred Outflows of Resources	<u>2,276,481</u>	<u>2,926,773</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 94,380,569</u>	<u>\$ 96,109,911</u>
Liabilities and Deferred Inflows of Resources		
Current Liabilities Payable from Unrestricted Assets	\$ 2,225,809	\$ 2,253,662
Current Liabilities Payable from Restricted Assets	3,627,888	3,547,215
Long-Term Revenue Bonds Payable (Net)	6,444,108	9,880,613
Other Long-Term Liabilities	442,643	462,897
Net Pension Liability	7,680,727	8,868,046
Net OPEB Liability	7,261,164	9,534,990
Deferred Inflows of Resources	7,459,193	4,719,941
Net Position		
Net Investment in Capital Assets	59,698,267	58,423,143
Restricted	1,790,000	1,790,000
Unrestricted:		
Designated	3,400,000	3,400,000
Undesignated (Deficit)	<u>(5,649,230)</u>	<u>(6,770,596)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 94,380,569</u>	<u>\$ 96,109,911</u>

SUMMARY OF SYNOPSIS OF 2018 AUDIT REPORT
TWO RIVERS WATER RECLAMATION AUTHORITY
COMPARATIVE STATEMENTS OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION

	For the Fiscal Years Ended October 31,	
	2018	2017
		As restated
Operating Revenues:		
Customer Municipalities	\$ 7,264,172	\$ 7,092,542
Participating Municipalities	5,893,401	6,000,895
Total Operating Revenues	13,157,573	13,093,437
Operating Expenses:		
Administration and General	1,928,025	2,345,471
Treatment Plant and Main Pumping Station	5,356,835	5,830,971
Lines and System Pumping Stations	1,488,895	1,058,569
Depreciation	3,098,264	3,075,802
Renewal and Replacement	79,114	79,114
Total Operating Expenses	11,872,019	12,389,927
Operating Income	1,285,554	703,510
Nonoperating Revenues (Expenses)	1,110,936	304,532
Change in Net Position	2,396,490	1,008,042
Total Net Position, Beginning	56,842,547	55,834,505
Total Net Position, Ending	\$ 59,239,037	\$ 56,842,547