



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

October 31, 2019

SUMMARY OF SYNOPSIS OF 2019 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>2019</u>	<u>2018</u>
Assets and Deferred Outflows of Resources		
Current Assets:		
Cash and Cash Equivalents	\$ 4,712,777	\$ 4,861,338
Customer Charges and Sewer Billings Receivable	955,644	1,218,744
Other Assets	17,633	396,969
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Total Current Assets	5,686,054	6,477,051
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Restricted Assets:		
Cash, Cash Equivalents and Investments	16,574,716	16,143,394
Accrued Interest and Other Assets	7,632	10,086
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Total Restricted Assets	16,582,348	16,153,480
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Capital Assets, Net of Depreciation	68,886,971	69,473,557
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Deferred Outflows of Resources	1,731,428	2,276,481
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Total Assets and Deferred Outflows of Resources	\$ 92,886,801	\$ 94,380,569
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Liabilities and Deferred Inflows of Resources		
Current Liabilities Payable from Unrestricted Assets	\$ 2,587,337	\$ 2,225,809
Current Liabilities Payable from Restricted Assets	3,640,581	3,627,888
Long-Term Revenue Bonds Payable (Net)	2,957,925	6,444,108
Other Long-Term Liabilities	398,343	442,643
Net Pension Liability	7,249,792	7,680,727
Net OPEB Liability	5,935,347	7,261,164
Deferred Inflows of Resources	8,196,468	7,459,193
Net Position		
Net Investment in Capital Assets	62,442,864	59,698,267
Restricted	1,790,000	1,790,000
Unrestricted:		
Designated	3,400,000	3,400,000
Undesignated (Deficit)	(5,711,856)	(5,649,230)
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Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 92,886,801	\$ 94,380,569
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SUMMARY OF SYNOPSIS OF 2019 AUDIT REPORT
TWO RIVERS WATER RECLAMATION AUTHORITY
COMPARATIVE STATEMENTS OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION

	<u>For the Fiscal Years Ended October 31,</u>	
	<u>2019</u>	<u>2018</u>
Operating Revenues:		
Customer Municipalities	\$ 6,977,274	\$ 7,264,172
Participating Municipalities	<u>6,144,722</u>	<u>5,893,401</u>
Total Operating Revenues	<u>13,121,996</u>	<u>13,157,573</u>
Operating Expenses:		
Administration and General	1,512,123	1,928,025
Treatment Plant and Main Pumping Station	5,510,389	5,356,835
Lines and System Pumping Stations	1,117,622	1,488,895
Depreciation	3,142,724	3,098,264
Renewal and Replacement	<u>16,051</u>	<u></u>
Total Operating Expenses	<u>11,298,909</u>	<u>11,872,019</u>
Operating Income	<u>1,823,087</u>	<u>1,285,554</u>
Nonoperating Revenues (Expenses)	<u>858,884</u>	<u>1,110,936</u>
Change in Net Position	2,681,971	2,396,490
Total Net Position, Beginning	<u>59,239,037</u>	<u>56,842,547</u>
Total Net Position, Ending	<u>\$ 61,921,008</u>	<u>\$ 59,239,037</u>

RECOMMENDATIONS
OCTOBER 31, 2019

It is recommended that:

2019-001 The Authority's financial statement close process and procedures be strictly adhered to.

2019-002 The Authority review its accounts payable cut-off procedures to ensure proper recording of all accounts payable at year end.

2019-003 The Authority encumber funds and issue purchase orders prior to acquiring goods and services.

2019-004 The payroll deductions for employees' contributions for health insurance be compliant with the requirements of Chapter 78, P.L. 2011.

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, 2019 and 2018. 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