

**SUMMARY OR SYNOPSIS OF REPORT OF AUDIT
TWO RIVERS WATER RECLAMATION AUTHORITY**

**STATEMENTS OF NET POSITION
October 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash	\$ 4,484,117	\$ 4,712,777
Inventory	12,092	16,684
Sewer Billings Receivable	2,097,142	955,644
Other Accounts Receivable	82,435	949
Intergovernmental Accounts Receivable - Federal	<u>525,247</u>	
Total Current Assets	<u>7,201,033</u>	<u>5,686,054</u>
Restricted Assets:		
Cash and Cash Equivalents	6,998,510	4,428,893
Investments	6,052,124	12,145,823
Accrued Interest Receivable	49,082	7,632
NJIB Drawdown Receivable	<u>2,885,199</u>	
Total Restricted Assets	<u>15,984,915</u>	<u>16,582,348</u>
Capital Assets, Net of Depreciation	<u>70,056,751</u>	<u>68,886,971</u>
Deferred Outflows of Resources:		
Pension Deferrals	1,179,768	1,726,539
OPEB Deferrals	<u>1,897,235</u>	<u>4,889</u>
Total Deferred Outflows of Resources	<u>3,077,003</u>	<u>1,731,428</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 96,319,702</u>	<u>\$ 92,886,801</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities:		
Accounts Payable	\$ 1,627,147	\$ 1,313,374
Accrued Expenses	420,832	225,038
Customer Overpayments	66,366	55,421
Unearned Revenue	983,651	993,504
Reserve for Developers' Deposits	121,888	105,156
Accrued Interest on Bonds Payable	25,920	49,243
NJIB Temporary Construction Loan	2,885,199	
Revenue Bonds Payable - Current Portion	<u>233,779</u>	<u>3,486,182</u>
Total Current Liabilities	<u>6,364,782</u>	<u>6,227,918</u>
Noncurrent Liabilities:		
Net Pension Liability	6,526,116	7,249,792
Net OPEB Liability	8,267,107	5,935,347
Long-term Revenue Bonds Payable, net	2,723,140	2,957,925
Unemployment Claims Reserve	64,055	64,055
Compensated Absences Payable	<u>353,751</u>	<u>334,288</u>
Total Noncurrent Liabilities	<u>17,934,169</u>	<u>16,541,407</u>
Deferred Inflows of Resources:		
Pension Deferrals	2,840,355	2,835,594
OPEB Deferrals	<u>4,628,598</u>	<u>5,360,874</u>
Total Deferred Inflows of Resources	<u>7,468,953</u>	<u>8,196,468</u>
Net Position:		
Net Invested in Capital Assets	64,214,633	62,442,864
Restricted for:		
Debt Service	100,000	100,000
Renewal and Replacement	1,500,000	1,500,000
Dredging Project - Shrewsbury River	190,000	190,000
Unrestricted:		
Designated for:		
Collection System Improvements	400,000	400,000
Rate Stabilization	3,000,000	3,000,000
Unrestricted (Deficit)	<u>(4,852,835)</u>	<u>(5,711,856)</u>
Total Net Position	<u>64,551,798</u>	<u>61,921,008</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 96,319,702</u>	<u>\$ 92,886,801</u>

**SUMMARY OR SYNOPSIS OF REPORT OF AUDIT
TWO RIVERS WATER RECLAMATION AUTHORITY**

**STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED OCTOBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>Operating Revenues</u>		
Customer Municipalities - Annual Charges	\$ 6,830,981	\$ 6,977,274
Participating Municipalities - Service Charges	<u>6,074,293</u>	<u>6,144,722</u>
Total Operating Revenues	<u>12,905,274</u>	<u>13,121,996</u>
<u>Operating Expenses</u>		
Administration and General	1,930,328	1,512,123
Treatment Plant and Main Pumping Station	5,245,748	5,510,389
Lines and System Pumping Stations	1,005,404	1,117,622
Depreciation	3,263,172	3,142,724
Renewal and Replacement		16,051
Total Operating Expenses	<u>11,444,652</u>	<u>11,298,909</u>
Operating Income	<u>1,460,622</u>	<u>1,823,087</u>
<u>Nonoperating Revenues / (Expenses)</u>		
Interest on Bonds	(153,946)	(199,489)
Interest Income	243,903	494,327
Federal Emergency Management Agency	525,246	
Connection Fees	112,700	487,100
Miscellaneous Income	<u>442,265</u>	<u>76,946</u>
Total Nonoperating Revenues/(Expenditures)	1,170,168	858,884
Changes in Net Position	<u>2,630,790</u>	<u>2,681,971</u>
Total Net Position - Beginning (Restated)	<u>61,921,008</u>	<u>59,239,037</u>
Total Net Position - Ending	<u>\$ 64,551,798</u>	<u>\$ 61,921,008</u>

TWO RIVERS WATER RECLAMATION AUTHORITY
SYNOPSIS OF AUDIT
OCTOBER 31, 2020

RECOMMENDATIONS

1. It is recommended the payroll deductions for employees' contributions for health insurance be compliant with the requirements of Chapter 78, P.L. 2011.
2. It is recommended the Authority encumber funds and issue purchase orders prior to acquiring goods and services.

* * * * *

The above summary or synopsis was prepared from the Report of Audit of the Two Rivers Water Reclamation Authority, Monmouth County, New Jersey for the fiscal year 2020. The financial data included in the summary or synopsis is presented in the form prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey. Readers are cautioned that the summary or synopsis was prepared solely for the purpose of compliance with the public disclosure provisions of N.J.S.A. 40A:5-76, and accordingly, the summary or synopsis should not be relied upon for any other purpose. The Report of Audit, submitted by PKF O'Connor Davies, LLP, is on file at the office of the Two Rivers Water Reclamation Authority, 1 Highland Avenue, Monmouth Beach, New Jersey 07750 and may be inspected by any interested person.