

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

**STATEMENTS OF NET POSITION
October 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash	\$ 1,370,589	\$ 2,115,018
Inventory	45,414	26,223
Sewer Billings Receivable	2,906,180	2,139,792
Other Accounts Receivable		52,525
Intergovernmental Accounts Receivable - Federal	<u>378,329</u>	<u>1,372,281</u>
Total Current Assets	<u>4,700,512</u>	<u>5,705,839</u>
Restricted Assets:		
Cash and Cash Equivalents	26,820,972	12,449,251
Investments	1,899,841	7,389,529
Accrued Interest Receivable	25,362	15,625
NJIB Drawdown Receivable		<u>404,743</u>
Total Restricted Assets	<u>28,746,175</u>	<u>20,259,148</u>
Capital Assets, Net of Depreciation	<u>73,156,695</u>	<u>71,255,609</u>
Deferred Outflows of Resources:		
Pension Deferrals	550,077	493,090
OPEB Deferrals	<u>2,077,598</u>	<u>2,259,127</u>
Total Deferred Outflows of Resources	<u>2,627,675</u>	<u>2,752,217</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 109,231,057</u>	<u>\$ 99,972,813</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities:		
Accounts Payable	\$ 1,770,070	\$ 1,661,569
Accrued Expenses	254,503	245,828
Customer Overpayments	98,841	67,409
Unearned Revenue	996,777	1,011,550
Reserve for Developers' Deposits	9,028,914	68,074
Accrued Interest on Bonds Payable	23,716	23,716
NJIB Temporary Construction Loan	1,844,762	5,433,113
Revenue Bonds Payable - Current Portion	<u>243,779</u>	<u>238,779</u>
Total Current Liabilities	<u>14,261,362</u>	<u>8,750,038</u>
Noncurrent Liabilities:		
Net Pension Liability	5,813,561	4,572,315
Net OPEB Liability	7,295,418	8,697,314
Long-term Revenue Bonds Payable, net	2,240,583	2,484,361
Unemployment Claims Reserve	64,055	64,055
Compensated Absences Payable	<u>333,617</u>	<u>316,715</u>
Total Noncurrent Liabilities	<u>15,747,234</u>	<u>16,134,760</u>
Deferred Inflows of Resources:		
Pension Deferrals	1,128,507	3,144,607
OPEB Deferrals	<u>5,203,573</u>	<u>4,336,429</u>
Total Deferred Inflows of Resources	<u>6,332,080</u>	<u>7,481,036</u>
Net Position:		
Net Invested in Capital Assets	68,827,571	63,099,356
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>(1,127,190)</u>	<u>(682,377)</u>
Total Net Position	<u>72,890,381</u>	<u>67,606,979</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 109,231,057</u>	<u>\$ 99,972,813</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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Operating Revenues</u>		
Customer Municipalities - Annual Charges	\$ 6,356,198	\$ 6,221,240
Participating Municipalities - Service Charges	<u>6,222,688</u>	<u>6,438,732</u>
Total Operating Revenues	<u>12,578,886</u>	<u>12,659,972</u>
<u>Operating Expenses</u>		
Administration and General	1,033,387	1,030,072
Treatment Plant and Main Pumping Station	5,604,428	5,133,824
Lines and System Pumping Stations	1,745,740	1,322,685
Depreciation	<u>3,632,839</u>	<u>3,385,823</u>
Total Operating Expenses	<u>12,016,394</u>	<u>10,872,404</u>
Operating Income	<u>562,492</u>	<u>1,787,568</u>
<u>Nonoperating Revenues / (Expenses)</u>		
Interest on Bonds	(72,231)	(61,112)
Interest Income	102,611	131,090
Federal Grants	4,452,598	899,560
Connection Fees	205,921	211,440
Miscellaneous Income	<u>32,011</u>	<u>86,635</u>
Total Nonoperating Revenues/(Expenditures)	<u>4,720,910</u>	<u>1,267,613</u>
Changes in Net Position	<u>5,283,402</u>	<u>3,055,181</u>
Total Net Position - Beginning	<u>67,606,979</u>	<u>64,551,798</u>
Total Net Position - Ending	<u>\$ 72,890,381</u>	<u>\$ 67,606,979</u>

TWO RIVERS WATER RECLAMATION AUTHORITY
SYNOPSIS OF AUDIT
OCTOBER 31, 2022

RECOMMENDATIONS

1. It is recommended the Authority enhance its financial statement close process and procedures.

* * * * *

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 2022. 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.