

SUMMARY OF SYNOPSIS OF 2016 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>2016</u>	<u>2015</u>
Assets and Deferred Outflows of Resources		
Current Assets:		
Cash	\$ 1,354,935	\$ 10,655,471
Customer Charges and Sewer Billings Receivable	1,746,179	3,516,306
Other Assets	<u>277,455</u>	<u>22,199</u>
Total Current Assets	<u>3,378,569</u>	<u>14,193,976</u>
Restricted Assets:		
Cash and Investments	19,174,837	10,330,257
Accrued Interest and Other Assets	<u>120,800</u>	<u>88,014</u>
Total Restricted Assets	<u>19,295,637</u>	<u>10,418,271</u>
Capital Assets, Net of Depreciation	<u>72,384,829</u>	<u>71,708,918</u>
Deferred Outflows of Resources	<u>2,941,948</u>	<u>1,371,250</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 98,000,983</u>	<u>\$ 97,692,415</u>
Liabilities and Deferred Inflows of Resources		
Current Liabilities Payable from Unrestricted Assets	\$ 2,280,552	\$ 5,548,950
Current Liabilities Payable from Restricted Assets	3,593,227	3,158,943
Long-Term Revenue Bonds Payable (Net)	13,209,315	12,593,328
Other Long-Term Liabilities	469,794	438,790
Net Pension Liability	10,212,174	8,243,126
Deferred Inflows of Resources	735,011	609,972
Net Position		
Net Investment in Capital Assets	57,424,758	56,190,025
Restricted	1,790,000	1,690,000
Unrestricted:		
Designated	3,400,000	3,400,000
Undesignated	<u>4,886,152</u>	<u>5,819,281</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 98,000,983</u>	<u>\$ 97,692,415</u>

SUMMARY OF SYNOPSIS OF 2016 AUDIT REPORT
TWO RIVERS WATER RECLAMATION AUTHORITY
COMPARATIVE STATEMENTS OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION

	<u>For the Fiscal Years Ended October 31,</u>	
	<u>2016</u>	<u>2015</u>
Operating Revenues:		
Customer Municipalities	\$ 7,203,166	\$ 7,148,320
Participating Municipalities	<u>5,811,300</u>	<u>5,823,915</u>
Total Operating Revenues	<u>13,014,466</u>	<u>12,972,235</u>
Operating Expenses:		
Administration and General	2,361,528	2,032,794
Treatment Plant and Main Pumping Station	5,584,441	5,834,126
Lines and System Pumping Stations	1,540,574	1,146,308
Depreciation	2,973,415	2,856,044
Renewal and Replacement	<u>191,330</u>	<u>225,958</u>
Total Operating Expenses	<u>12,651,288</u>	<u>12,095,230</u>
Operating Income	<u>363,178</u>	<u>877,005</u>
Nonoperating Revenues (Expenses) - Net	<u>38,426</u>	<u>231,307</u>
Change in Net Position	401,604	1,108,312
Special Item:		
Settlements of litigation	<u>-</u>	<u>(3,651,739)</u>
Change in Net Position after Special Item	401,604	(2,543,427)
Total Net Position, Beginning	<u>67,099,306</u>	<u>69,642,733</u>
Total Net Position, Ending	<u>\$ 67,500,910</u>	<u>\$ 67,099,306</u>

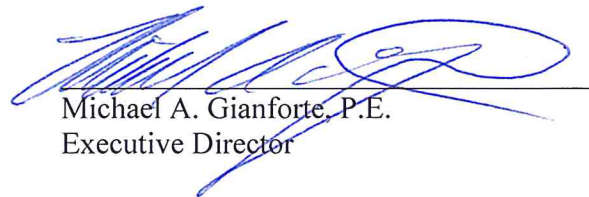
**RECOMMENDATIONS
OCTOBER 31, 2016**

It is recommended that:

- 2016-1 The correct rate for sludge tipping fees be paid.
- 2016-2 Payroll deductions for employees' contributions for health insurance be compliant with the requirements of Chapter 78, P.L. 2011.
- 2016-3 The Authority's financial statement close procedures be strictly adhered to.
- 2016-4 Interest on delinquent accounts be assessed accurately.

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, 2016 and 2015. 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