

**POLLUTION CONTROL
FINANCING AUTHORITY
OF GLOUCESTER COUNTY
DEPTFORD, NEW JERSEY**

***REPORT OF AUDIT
For the Year Ended January 31, 2014***

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Introductory Section

**POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
OFFICIALS AND REPRESENTATIVES
January 31, 2014**

Authority Members

Robert DiLella - Chairman
Gerald White - Vice-Chairman
George Hubbs - Secretary/Treasurer
Andrew Chapkowski - Member
Vacant - Member

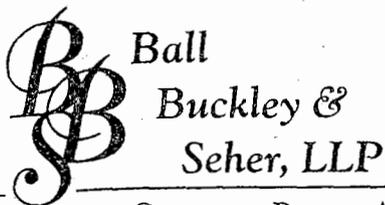
Solicitor

Thomas G. Heim

Bond Counsel

Per Issue Basis

Financial Section



CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT

The Honorable Chairman and Members
of the Pollution Control Financing
Authority of Gloucester County
Deptford, New Jersey

We have audited the accompanying financial statements of the Pollution Control Financing Authority of Gloucester County, as of and for the year ended January 31, 2014, and the related statement of revenues, expenses, and changes in fund net position, and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Pollution Control Financing Authority of Gloucester County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community and Urban Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pollution Control Financing Authority of Gloucester County as of January 31, 2014, and the results of its operations and changes in cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2015, on our consideration of the Pollution Control Financing Authority of Gloucester County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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The accompanying Management's Discussion and Analysis and Budgetary Comparison Information as listed in the table of contents are not a required part of the financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Ball, Buckley and Seher

Woodbury, New Jersey
January 8, 2015



Ball
Buckley &
Seher, LLP

CERTIFIED PUBLIC ACCOUNTANTS



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**(No Material Weaknesses [No Significant Deficiencies Identified,
No Reportable Instances of Noncompliance or Other Matters])**

To the Chairman and Members
of the Pollution Control Financing
Authority of Gloucester County
Deptford, New Jersey

We have audited the financial statements of the Pollution Control Financing Authority of Gloucester County, as of and for the year ended January 31, 2014, and have issued our report thereon dated January 8, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community and Urban Affairs, State of New Jersey.

In planning and performing my audit, we considered the Pollution Control Financing Authority of Gloucester County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pollution Control Financing Authority of Gloucester County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pollution Control Financing Authority of Gloucester County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Pollution Control Financing Authority of Gloucester County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Pollution Control Financing Authority of Gloucester County's financial statements that is more than inconsequential will not be prevented or detected by the Pollution Control Financing Authority of Gloucester County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Pollution Control Financing Authority of Gloucester County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pollution Control Financing Authority of Gloucester County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community and Urban Affairs, State of New Jersey.

This report is intended for the information of the Authority, its management, and appropriate state agencies and is not intended to be and should not be used by anyone other than those specified parties.

Ball, Buckley and Seher

Woodbury, New Jersey
January 8, 2015

Required Supplementary Information - Part I

**POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR JANUARY 31, 2014
(UNAUDITED)**

As management of the Pollution Control Financing Authority of Gloucester County (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ending January 31, 2014. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole. Readers should read it in conjunction with the notes to the financial statements and the financial statements to enhance their understanding of the Authority's financial performance.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent year by \$86,051.53 (net position).
- At the end of the current year, the fund balance of \$86,051.53 showed a decrease of \$8,212.08 or 8.71% over the prior year. The entire fund balance is unreserved.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's financial statements are comprised of two components: 1) a combined government-wide financial statement and fund financial statements, and 2) notes to the financial statements.

Combined government-wide and fund financial statements. The *government-wide and fund financial statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the Authority, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of revenues, expenses, and changes in fund net position* presents information showing how the net position of the Authority changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The activities of the Authority is to solely provide financing for pollution control facilities within the county.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are an integral part of the financial statements.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$94,263.61 at the close of the most recent year.

All of the Authority's net position are held as cash. The Authority uses these assets to provide resources to fund subsequent budgets for operations.

Statement of Net Position

| | <u>2014</u> | <u>2013</u> |
|----------------------------------|---------------------|---------------------|
| Assets: | | |
| Current and other assets | \$ 86,401.53 | \$ 94,613.61 |
| Total assets | <u>86,401.53</u> | <u>94,613.61</u> |
| Liabilities: | | |
| Accounts payable | 350.00 | 350.00 |
| Total liabilities | <u>350.00</u> | <u>350.00</u> |
| Net position | <u>\$ 86,051.53</u> | <u>\$ 94,263.61</u> |
| Analysis of net position: | | |
| Restricted: | | |
| Deferred charges: | | |
| Overexpenditure of appropriation | \$ - | \$ - |
| Unrestricted | <u>86,051.53</u> | <u>94,263.61</u> |
| Total net position | <u>\$ 86,051.53</u> | <u>\$ 94,263.61</u> |

Authority activities. The statement of revenues, expenses, and changes in fund net position shows the cost program services and the charges for services and grants offsetting those services. Key elements of the decrease in net position are as follows:

| | <u>2014</u> | <u>2013</u> |
|------------------------------------|---------------------|---------------------|
| Expenses: | | |
| Operating expenses: | | |
| Administration | \$ 8,458.54 | \$ 9,594.24 |
| Total program expenses | <u>8,458.54</u> | <u>9,594.24</u> |
| Revenues: | | |
| Charges for services | - | - |
| Operating grants and contributions | <u>-</u> | <u>-</u> |
| Net program expenses | <u>8,458.54</u> | <u>9,594.24</u> |
| General revenues: | | |
| Unrestricted interest earned | <u>246.46</u> | <u>512.25</u> |
| Total general revenues | <u>246.46</u> | <u>512.25</u> |
| Decrease in net position | (8,212.08) | (9,081.99) |
| Net position - February 1 | <u>94,263.61</u> | <u>103,345.60</u> |
| Net position - January 31 | <u>\$ 86,051.53</u> | <u>\$ 94,263.61</u> |

Economic Factors and Next Year's Budget

For the fiscal ending January 31, 2014, the Authority was able to sustain its budget through unreserved fund reserves.

The Board of Commissioners adopted the 2014 budget on February 4, 2014.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to George Hubbs, Secretary-Treasurer, Pollution Control Financing Authority of Gloucester County, c/o Clerk of the Board, County of Gloucester, Post Office Box 337, Woodbury, New Jersey 08096.

Basic Financial Statements

Government-Wide and Fund Financial Statements

EXHIBIT A

POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
STATEMENT OF NET ASSETS
January 31, 2014

| | | |
|---|----------------------------------|---------------------|
| Assets: | | |
| Cash and cash equivalents | | \$ 86,401.53 |
| | TOTAL ASSETS | <u>\$ 86,401.53</u> |
| Liabilities: | | |
| Current liabilities: | | |
| Accounts payable | | \$ 350.00 |
| | TOTAL LIABILITIES | <u>350.00</u> |
| Net assets: | | |
| Restricted for: | | |
| Budget overexpenditure of appropriation | | 0.00 |
| Unrestricted | | 86,051.53 |
| | TOTAL NET ASSETS | <u>86,051.53</u> |
| | TOTAL LIABILITIES AND NET ASSETS | <u>\$ 86,401.53</u> |

EXHIBIT B

**POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
For The Year Ended January 31, 2014**

| | | |
|--|---------------------------------|---------------------|
| Revenues and other income | | \$ 0.00 |
| | Total revenues and other income | <u>0.00</u> |
| Operating expenses: | | |
| Administrative and executive | | 8,458.54 |
| | Total operating expenses | <u>8,458.54</u> |
| Excess (deficiency) of revenues over (under) expenditures | | (8,458.54) |
| Other financing sources (uses): | | |
| Interest income | | <u>246.46</u> |
| Excess (deficiency) of revenues and other financial sources (uses) over (under) expenditures and other financing (uses) | | (8,212.08) |
| Net assets, February 1 | | <u>94,263.61</u> |
| Net assets, January 31 | | <u>\$ 86,051.53</u> |

**POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
STATEMENT OF CASH FLOWS
For The Year Ended January 31, 2014**

| | |
|---|----------------------------|
| Cash flows from operating activities: | |
| Net income (loss) from operations | \$ (8,458.54) |
| Adjustments to reconcile net income to net cash provided by operations: | |
| (Increase) decrease in assets and liabilities: | |
| Accounts payable | 0.00 |
| | <u>0.00</u> |
| Net cash used by operations | <u>(8,458.54)</u> |
| Cash flows from other activities: | |
| Interest on deposits and investments | 246.46 |
| | <u>246.46</u> |
| Net cash provided by other activities | <u>246.46</u> |
| Net decrease in cash and cash equivalents | (8,212.08) |
| Cash and cash equivalents at beginning of year | <u>94,613.61</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 86,401.53</u></u> |

Notes To The Financial Statements

**POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended January 31, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

The Pollution Control Financing Authority of Gloucester County was created by resolution adopted February 5, 1974, by the Board of Chosen Freeholders of the County of Gloucester under provision of the New Jersey Industrial Pollution Control Financing Law (P.L. 1973, Ch. 376). It is a public body corporate and politic and an agency and instrumentality of said County of Gloucester; formed for the purpose of acquiring, construction, repairing, altering, improving, extending, owning, leasing, financing, selling, maintaining, operating, and disposing of pollution control facilities within the county.

On February 7, 1990, the Authority officially changed its name to the Pollution Control Financing Authority of Gloucester County.

Component Units

The Governmental Accounting Standards (GASB) Statement No. 14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units. As of January 31, 2014, it has been determined by the Authority that no component units exist.

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described in this Note.

The Authority's financial statements consist of combined government-wide and fund statements including a statement of net position, a statement of revenues, expenses, and changes in fund net position, and a statement of cash flows.

Combined Government-Wide and Fund Financial Statements - The statement of net position and the statement of revenues, expenses, and changes in fund net position display information about the Authority as a whole. These statements include the financial activities of the government. The statement of net position presents the financial condition of the governmental activities of the Authority at year-end. The statement of revenues, expenses, and changes in fund net position presents a comparison between direct expenses and program revenues for each program or function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The policy of the Authority is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Authority, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Authority.

**POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended January 31, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Combined Government-Wide and Fund Financial Statements - The combined government-wide and fund financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the Authority are included on the statement of net position.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The financial statements are prepared using the accrual basis of accounting. Governmental funds uses the modified accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Budgets/Budgetary Control

The Authority must adopt an annual budget in accordance with N.J.S.A. 40A:5A-1 et al.

The Authority must introduce and approve the annual budget and file with the State of New Jersey not later than sixty days prior to the beginning of each fiscal year. The State shall provide for approval or disapproval of a budget within forty-five days of receipt thereof. The adopted budget is to be transmitted to the State within ten days after adoption.

Encumbrances

Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances are reported as reservations of fund balances at year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

The encumbered appropriation authority carries over into the next year. An entry will be made at the beginning of the next year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current year end.

**POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended January 31, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks all highly liquid investments with a maturity of three months or less at the time of purchase are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governments are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey governments.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include state or federally chartered banks, savings banks or associations located in the State of New Jersey or state or federally chartered banks, savings and banks or associations located in another state with a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Inventories and Prepaid Expenses - The Authority has no inventory due to the nature of its operations.

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond January 31, 2014. The Authority has no prepaid expenses.

Capital Assets

The Authority operates as a source to fund projects to control pollution; therefore it does not own any fixed assets.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the financial statements.

Net Position

Net position represent the difference between assets and liabilities. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended January 31, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Fund Net Position

The Authority reserves portions of its net position which are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. The unrestricted net asset balance indicates that portion that is available for appropriation in future periods.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

All bank deposits as of January 31, 2014 are classified as to credit risk by the three categories described below:

Category 1

Insured or collateralized with securities held by the Authority or by its agent in the Authority's name.

Category 2

Collateralized with securities held by the pledging public depository's trust department or agent in the Authority's name.

Category 3

Uncollateralized, including any deposits that are collateralized with securities by the pledging public depository, or by its trust department or agent but not in the Authority's name.

The amounts on deposit of the Authority's cash and investments at January 31, 2014 are categorized as follows: F.D.I.C. insured (category 1) and all others (category 3):

| Category | Amount |
|--------------------|--------------|
| Cash: | |
| F.D.I.C. insured | \$ 86,401.53 |
| G.U.D.P.A. insured | - |
| | \$ 86,401.53 |

The carrying value of cash and cash equivalents on deposits is \$86,401.53.

**POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended January 31, 2014**

NOTE 3 - BONDS PAYABLE

In accordance with the P.L. 1973 Ch. 376, the Authority will incur no liability and, therefore, does not recognize any bonded debt issued in the name of the Authority, and subsequently sold under the provisions of this law.

NOTE 4 - PENSION

There are no employees of the Authority; therefore, the Authority has no pension responsibility or liability.

NOTE 5 - FUND NET ASSET BALANCES

The Authority has an unrestricted fund balance of \$86,051.53.

NOTE 6 - SUBSEQUENT EVENTS

Subsequent events were evaluated through January 8, 2015, the date which the financial statements were available to be issued.

On May 1, 2014, the Authority issued \$58,295,000.00 of Pollution Control Revenue Refunding Bonds. These bonds are special limited obligations payable solely from the revenues, other receipts, funds, or money pledged therefore. The funds will be used to retire existing debt on the Keystone Cogeneration Plant in Logan Township, Gloucester County, New Jersey. The Authority has entered into a loan agreement with the Lessee (Logan Power, LP) and the Leaser (Keystone Cogeneration Company, LP), which requires the borrower to make payments to the Trustee in sufficient amounts to cover principal and interest when due. The newly issued bonds mature on December 1, 2024. The Authority received a fee of \$285,962.50 for its part in issuing the Pollution Control Revenue Refunding Bonds.

Required Supplementary Information - Part II

SCHEDULE 1

POLLUTION CONTROL FINANCING AUTHORITY
 OF GLOUCESTER COUNTY
 SCHEDULE OF OPERATING REVENUES AND EXPENDITURES
 COMPARED TO BUDGET
 Year Ended January 31, 2014

| | Adopted Budget | Actual | Variance Final to Actual Favorable (Unfavorable) |
|---|-----------------------|----------------------|---|
| Revenues: | | | |
| Interest on investments and deposits | \$ 1,500.00 | \$ 246.46 | \$ (1,253.54) |
| Total revenues | <u>1,500.00</u> | <u>246.46</u> | <u>(1,253.54)</u> |
| Expenditures: | | | |
| Printing and miscellaneous | 600.00 | 0.00 | 600.00 |
| Other expenses | 6,200.00 | 4,251.54 | 1,948.46 |
| Insurance | 1,000.00 | 852.00 | 148.00 |
| Professional services | 4,900.00 | 3,355.00 | 1,545.00 |
| Total expenditures | <u>12,700.00</u> | <u>8,458.54</u> | <u>4,241.46</u> |
| Excess (deficiency) of revenues over (under) expenditures and deferred charges | (11,200.00) | (8,212.08) | 2,987.92 |
| Fund balance - February 1 | <u>94,613.61</u> | <u>94,613.61</u> | <u>0.00</u> |
| Fund balance - January 31 | <u>\$ 83,413.61</u> | <u>\$ 86,401.53</u> | <u>\$ 2,987.92</u> |
| Recapitulation of excess (deficiency) of revenues over (under) expenditures: | | | |
| Fund balance anticipated | <u>\$ (11,200.00)</u> | <u>\$ (8,212.08)</u> | <u>\$ 2,987.92</u> |

Schedule of Findings and Recommendations

**POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Year Ended January 31, 2014**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Current Year Audit Findings

None.

**POLLUTION CONTROL FINANCING AUTHORITY
OF GLOUCESTER COUNTY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND RECOMMENDATIONS AS PREPARED BY MANAGEMENT
For the Year Ended January 31, 2014**

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Prior Year Audit Findings

None.

Appreciation

We desire to express our appreciation for the assistance and courtesies rendered by the Authority personnel during the course of our audit.

No problems or weaknesses were noted in our review that would effect our ability to express an opinion on the financial statements taken as whole.

Respectfully submitted,

Ball, Buckley and Seher

BALL, BUCKLEY AND SEHER, LLP

January 8, 2015