

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

***REPORT OF AUDIT  
For the Year Ended January 31, 2017***

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## **Introductory Section**

**POLLUTION CONTROL FINANCING AUTHORITY  
OF GLOUCESTER COUNTY  
OFFICIALS AND REPRESENTATIVES  
January 31, 2017**

**Authority Members**

Gerald White - Chairman  
Andrew Chapkowski - Vice-Chairman  
George Hubbs - Secretary/Treasurer  
Daniel Cox - Member  
Vacant - Member

**Solicitor**

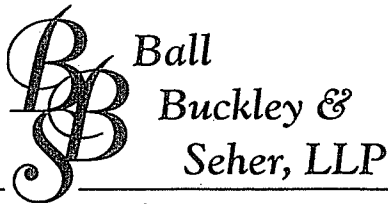
Thomas G. Heim, Esquire

**Bond Counsel**

Per Issue Basis

Parker-McCay, P.A. shared services per agreement between County of Gloucester and Pollution Control Financing Authority of Gloucester County.

## **Financial Section**



CERTIFIED PUBLIC ACCOUNTANTS



**UNMODIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED  
BY REQUIRED SUPPLEMENTARY INFORMATION - GOVERNMENTAL ENTITY**

**Independent Auditor's Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pollution Control Financing Authority of Gloucester County, County of Gloucester, State of New Jersey, as of and for the year ended January 31, 2017, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions 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 with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority as of January 31, 2017, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Reporting Required by Government Auditing Standards**

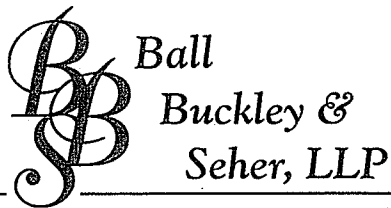
In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Respectfully submitted,

*Ball, Buckley & Seher, LLP*

**BALL, BUCKLEY & SEHER, LLP**  
Woodbury, New Jersey

July 25, 2017



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 Identified, No Significant Deficiencies Identified,  
Reportable Instances of Noncompliance or Other Matters Identified)**

**Independent Auditor's Report**

Honorable 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, County of Gloucester, State of New Jersey, as of and for the year ended January 31, 2017, and have issued our report thereon dated July 25, 2017. 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 prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey.

**Internal Control Over Financial Reporting**

The Authority is responsible for establishing and maintaining effective internal controls over financial reporting.

In planning and performing our audit, we considered the Authority'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 Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in internal control 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 Authority'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 Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority'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 Authority'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. Also, we noted no matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Pollution Control Financing Authority of Gloucester County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority'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, State of New Jersey.

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

Respectfully submitted,

*Ball, Buckley & Seher, LLP*

**BALL, BUCKLEY & SEHER, LLP**  
Woodbury, New Jersey

July 25, 2017

***Required Supplementary Information - Part I***

**POLLUTION CONTROL FINANCING AUTHORITY  
OF GLOUCESTER COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR JANUARY 31, 2017  
(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, 2017. 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 \$64,791.12 (net position).
- At the end of the current year, the fund balance of \$64,791.12 showed a decrease of \$9,182.36 or (12.41%) in comparison with the prior year. The decrease in fund balance is the result of excess budgetary expenditures over budgetary revenues. 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 \$64,791.12 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

|                           | 2017         | 2016         |
|---------------------------|--------------|--------------|
| Assets:                   |              |              |
| Current and other assets  | \$ 64,791.12 | \$ 73,973.48 |
| Total assets              | 64,791.12    | 73,973.48    |
| Liabilities:              |              |              |
| Accounts payable          | -            | -            |
| Total liabilities         | -            | -            |
| Net position              | \$ 64,791.12 | \$ 73,973.48 |
| Analysis of net position: |              |              |
| Unrestricted              | \$ 64,791.12 | \$ 73,973.48 |
| Total net position        | \$ 64,791.12 | \$ 73,973.48 |

**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:

|                                      | 2017         | 2016         |
|--------------------------------------|--------------|--------------|
| Expenses:                            |              |              |
| Operating expenses:                  |              |              |
| Administration                       | \$ 9,391.40  | \$ 10,910.05 |
| Cost of providing services:          |              |              |
| Shared service - environmental study | -            | 278,161.00   |
| Total program expenses               | 9,391.40     | 289,071.05   |
| Revenues:                            |              |              |
| Charges for services                 | -            | -            |
| Net program expenses                 | (9,391.40)   | (289,071.05) |
| General revenues:                    |              |              |
| Unrestricted interest earned         | 209.04       | 201.31       |
| Total general revenues               | 209.04       | 201.31       |
| Increase (decrease) in net position  | (9,182.36)   | (288,869.74) |
| Net position - February 1            | 73,973.48    | 362,843.22   |
| Net position - January 31            | \$ 64,791.12 | \$ 73,973.48 |

## **Economic Factors and Next Year's Budget**

For the fiscal ending January 31, 2017, the Authority was able to sustain its budget through unreserved fund reserves.

The Board of Commissioners adopted the 2017 budget on February 1, 2017.

## **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*

**POLLUTION CONTROL FINANCING AUTHORITY  
OF GLOUCESTER COUNTY  
STATEMENT OF NET POSITION  
January 31, 2017**

|                           |                                    |                     |
|---------------------------|------------------------------------|---------------------|
| Assets:                   |                                    |                     |
| Cash and cash equivalents |                                    | \$ 64,791.12        |
|                           | TOTAL ASSETS                       | <u>\$ 64,791.12</u> |
| Liabilities:              |                                    |                     |
| Current liabilities:      |                                    |                     |
| Accounts payable          |                                    | \$ 0.00             |
|                           | TOTAL LIABILITIES                  | <u>0.00</u>         |
| Net position:             |                                    |                     |
| Unrestricted              |                                    | 64,791.12           |
|                           | TOTAL NET POSITION                 | <u>64,791.12</u>    |
|                           | TOTAL LIABILITIES AND NET POSITION | <u>\$ 64,791.12</u> |



**POLLUTION CONTROL FINANCING AUTHORITY  
OF GLOUCESTER COUNTY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
For The Year Ended January 31, 2017**

|  |                            |
|--|----------------------------|
| Revenues and other income  | \$ 0.00                    |
| Total revenues and other income  | <u>0.00</u>                |
| Operating expenses:  |                            |
| Administrative and executive   | 9,391.40                   |
| Total operating expenses   | <u>9,391.40</u>            |
| Excess (deficiency) of revenues over (under) expenditures  | (9,391.40)                 |
| Other financing sources (uses):  |                            |
| Interest income  | <u>209.04</u>              |
| Excess (deficiency) of revenues and other financial sources<br>(uses) over (under) expenditures and other financing (uses) | (9,182.36)                 |
| Net position, February 1   | <u>73,973.48</u>           |
| Net position, January 31   | <u><u>\$ 64,791.12</u></u> |

**POLLUTION CONTROL FINANCING AUTHORITY  
OF GLOUCESTER COUNTY  
STATEMENT OF CASH FLOWS  
For The Year Ended January 31, 2017**

|   |   |
|---|---|
| Cash flows from operating activities:                                   |   |
| Net income (loss) from operations                                       | \$ (9,391.40)                                       |
| Adjustments to reconcile net income to net cash provided by operations: |   |
| (Increase) decrease in assets and liabilities:                          |   |
| Accounts payable  | <u>0.00</u>   |
|   | <u>Net cash used by operations (9,391.40)</u>       |
| Cash flows from other activities:                                       |   |
| Interest on deposits and investments                                    | <u>209.04</u>                                       |
|   | <u>Net cash provided by other activities 209.04</u> |
| Net decrease in cash and cash equivalents                               | (9,182.36)  |
| Cash and cash equivalents at beginning of year                          | <u>73,973.48</u>                                    |
| Cash and cash equivalents at end of year                                | <u><u>\$ 64,791.12</u></u>                          |

*Notes To The Financial Statements*

**POLLUTION CONTROL FINANCING AUTHORITY  
OF GLOUCESTER COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended January 31, 2017**

**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, 2017, 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, 2017**

**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, 2017**

**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, 2017. 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, 2017**

**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, 2017 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, 2017 are categorized as follows: F.D.I.C. insured (category 1) and all others (category 3):

| Category           | Amount       |
|--------------------|--------------|
| Cash:              |              |
| F.D.I.C. insured   | \$ 65,141.12 |
| G.U.D.P.A. insured | -            |
|                    | \$ 65,141.12 |

The carrying value of cash and cash equivalents on deposits is \$64,791.12.

**POLLUTION CONTROL FINANCING AUTHORITY  
OF GLOUCESTER COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended January 31, 2017**

**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 POSITION BALANCES**

The Authority has an unrestricted fund balance of \$64,791.12.

**NOTE 6 - SUBSEQUENT EVENTS**

Subsequent events were evaluated through July 25, 2017, the date which the financial statements were available to be issued.



***Required Supplementary Information - Part II***

**POLLUTION CONTROL FINANCING AUTHORITY  
OF GLOUCESTER COUNTY  
SCHEDULE OF OPERATING REVENUES AND EXPENDITURES  
COMPARED TO BUDGET  
Year Ended January 31, 2017**

|   | Adopted<br>Budget | Budget<br>Amendment | Actual             | Variance<br>Final to Actual<br>Favorable<br>(Unfavorable) |
|---|-------------------|---------------------|--------------------|---|
| <b>Revenues:</b>  |                   |                     |                    |   |
| Fund balance anticipated  | \$ 11,200.00      | \$ 0.00             | \$ 11,200.00       | \$ 0.00   |
| Interest on investments and deposits  | 1,500.00          | 0.00                | 209.04             | (1,290.96)  |
| Total revenues  | <u>12,700.00</u>  | <u>0.00</u>         | <u>11,409.04</u>   | <u>(1,290.96)</u>   |
| <b>Expenditures:</b>  |                   |                     |                    |   |
| <b>Administrative expenses:</b>   |                   |                     |                    |   |
| Professional services   | 5,000.00          | 0.00                | 4,025.00           | 975.00  |
| Insurance   | 1,200.00          | 0.00                | 1,014.00           | 186.00  |
| Other expenses  | 5,400.00          | 0.00                | 4,200.00           | 1,200.00  |
| Printing and legal notices  | 1,100.00          | 0.00                | 152.40             | 947.60  |
| Total expenditures  | <u>12,700.00</u>  | <u>0.00</u>         | <u>9,391.40</u>    | <u>3,308.60</u>   |
| Excess (deficiency) of revenues over (under)<br>expenditures and deferred charges | <u>\$ 0.00</u>    | <u>\$ 0.00</u>      | <u>\$ 2,017.64</u> | <u>\$ 2,017.64</u>  |

## **Schedule of Findings and Recommendations**

**POLLUTION CONTROL FINANCING AUTHORITY  
OF GLOUCESTER COUNTY  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
For the Year Ended January 31, 2017**

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, 2017**

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  
Woodbury, New Jersey

July 25, 2017