

MEETING MINUTES OF THE  
POLLUTION CONTROL FINANCING  
AUTHORITY OF GLOUCESTER COUNTY

REORGANIZATION MEETING

February 4, 2015

The re-organization meeting of the Pollution Control Financing Authority of Gloucester County was called to order by Solicitor Thomas Heim on Wednesday, February 4, 2015 in the Conference Room on the 3rd floor of the New County Building, 2 S. Broad Street, Woodbury, New Jersey.

Present at the meeting were as follows: George Hubbs, (By Phone) Gerald White, Daniel Cox and Solicitor Thomas Heim.

Absent from the meeting was Andrew Chapkowski and Russell J. Welsh, Jr.

Solicitor Thomas Heim announced that Public Notice of this meeting pursuant to the Open Public Meetings Act of 1975 had been given in this manner:

A. Posting written notice of same on the official bulletin board in the County Clerk's office on January 20, 2015..

B. Mailing written notice to the Gloucester County Times and Courier-Post Newspapers on January 20, 2015.

C. Filing written notice with the Clerk of Gloucester County on January 20, 2015.

Solicitor Thomas Heim opened the floor for nominations for Chairman.

Mr. Daniel Cox nominated Mr. Gerald White for Chairman. The motion was seconded by Mr. George Hubbs. There being no further nominations, the nominations were closed. A motion to close the nominations was made by Mr. George Hubbs and seconded by Mr. Daniel Cox. Mr. Gerald White was unanimously elected as the new Chairman. Roll call vote: Mr. George Hubbs, Yes; Mr. Daniel Cox, Yes; Mr. Gerald White, Abstained.

Mr. Gerald White nominated Mr. Andrew Chapkowski for Vice-Chairman. The motion was seconded by Mr. George Hubbs. There being no further nominations, the nominations were closed. A motion to close the nominations was made by Mr. George Hubbs and seconded by Mr. Daniel Cox. Mr. Andrew Chapkowski was unanimously elected Vice-Chairman. Roll call vote: Mr. Andrew Cox, Yes; Mr. George Hubbs, Yes; Mr. Gerald White, Yes, Mr. Andrew Chapkowski, Absent.

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Mr. Gerald White nominated Mr. George Hubbs for Secretary-Treasurer. The motion was seconded by Mr. Daniel Cox. There being no further nominations, the nominations were closed. A motion to close the nominations was made by Mr. Gerald White and seconded by Mr. Daniel Cox. Mr. George Hubbs was unanimously elected Secretary-Treasurer for another year. Roll call vote: Mr. Daniel Cox, Yes; Mr. George White, Yes., Mr. George Hubbs, Abstained.

A motion was made by Mr. Gerald White and seconded by Mr. George Hubbs to approve the meeting minutes of November 5, 2014. The motion was unanimously carried. Roll call votes: Mr. George Hubbs, Yes; Mr. Gerald White, Yes, Mr. Daniel Cox, Abstained.

A motion was made by Mr. Daniel Cox and seconded by Mr. George Hubbs to ratify the payment of bills on Bill List #02-15. The motion was unanimously carried. Roll call votes: Mr. Andrew Cox, Yes; Mr. Gorge Hubbs, Yes; Mr. Gerald White, Yes.

A motion was made by Mr. Daniel Cox and second by Mr. George Hubbs to adopt Resolution No. 2015-01, Resolution Appointing Thomas G. Heim, Esq., Solicitor. The motion was unanimously carried. Roll call vote: Mr. Daniel Cox, Yes; Mr. George Hubbs, Yes; Mr. Gerald White, Yes.

RESOLUTION NO.2015-01

RESOLUTION APPOINTING SOLICITOR

(SEE RESOLUTION FILE)

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POLLUTION CONTROL FINANCING  
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A motion was made by Mr. Daniel Cox and second by Mr. George Hubbs to adopt Resolution No. 2015-02 Resolution Scheduling Meetings for the Year 2015. The motion was unanimously carried. Roll call vote: Mr. Daniel Cox, Yes; Mr. George Hubbs, Yes; Mr. Gerald White, Yes.

RESOLUTION NO.2015-02

RESOLUTION SCHEDULING MEETINGS FOR THE YEAR 2015

(SEE RESOLUTION FILE)

A motion was made by Mr. Daniel Cox and second by Mr. George Hubbs to adopt Resolution No. 2015-03 Resolution appointing Ball, Buckley, Seher, LLP as Auditors for the Authority. The motion was unanimously carried. Roll call vote: Mr. Daniel Cox, Yes; Mr. George Hubbs, Yes; Mr. Gerald White, Yes.

RESOLUTION NO.2015-03

RESOLUTION APPOINTING AUDITORS

(SEE RESOLUTION FILE)

A motion was made by Mr. Daniel Cox and seconded by Mr. George Hubbs to adopt Resolution No. 2015-04. Resolution Adopting Approved Authority Budget for 2015/2016. The motion was unanimously carried. Roll call votes: Mr. Daniel Cox, Yes; Mr. George Hubbs, Yes; Mr. Gerald White, Yes.

RESOLUTION NO 2015-04

RESOLUTION ADOPTING AUTHORITY BUDGET FOR THE YEAR 2015/2016

(SEE RESOLUTION FILE)

MEETING MINUTES OF THE  
POLLUTION CONTROL FINANCING  
AUTHORITY OF GLOUCESTER COUNTY

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A motion was made by Mr. Gerald White and seconded by Mr. George Hubbs to open the meeting to the Public. Since there was no one there to make a comment, the meeting was closed to the public. Roll call votes: Mr. Daniel Cox, Yes; Mr. George Hubbs, Yes; Mr. Gerald White, Yes.

There being no further business a motion was made by Mr. Gerald White and seconded by Mr. George Hubbs to adjourn the meeting.

Meeting adjourned at 6:00 P.M.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "G. White", is written over a horizontal line.

Gerald White, CHAIRMAN

GW/ml

**RESOLUTION NO . 2015-01**  
**RESOLUTION APPOINTING SOLICITOR**

**WHEREAS**, there exists a need for a Solicitor for the Pollution Control Financing Authority of Gloucester County and for the year from February 1, 2015 through February 1, 2016, and

**WHEREAS**, the Local Public Contracts Law (N. J. S. A. 40A:11 et., seq.) requires that a Resolution authorizing the award of contracts for "professional services" without competitive bids must be publicly advertised:

**NOW, THEREFORE, BE IT RESOLVED** by the Pollution Control Financing Authority of Gloucester County, as follows:

1. That Thomas G. Heim, Esquire, be and is hereby appointed Solicitor of the Pollution Control Financing Authority of Gloucester County for the year commencing February 1, 2015, for one year ending February 1, 2016;
2. This contract is awarded without competitive bidding as a "professional service" under the provisions of N. J. S. A. 40A:11-5 (1) (a) (I) because of aforesaid agreement encompasses the services of a recognized profession, licensed and regulated by law, and is of a nature where it is not possible to obtain competitive bids. And otherwise meets the definition of professional services set forth in the statute;
3. A copy of this Resolution shall be published in the Gloucester County Times, as required by law.

**ADOPTED** at a meeting of the Pollution Control Financing Authority of Gloucester County, held on February 4, 2015.

  
**CHAIRMAN**

**ATTEST:**

  
**SECRETARY-TREASURER**

## RESOLUTION NO. 2015-02

### RESOLUTION SCHEDULING REGULAR MEETINGS FOR THE YEAR OF 2015, DESIGNATING OFFICIAL NEWSPAPER AND COMPLYING WITH THE OPEN PUBLIC MEETINGS ACT OF 1975

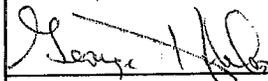
**WHEREAS**, the Open Public Meetings Act of 1975 requires the Authority to designate a schedule of regular meetings to be held during the year and further that the Authority designate and official newspaper;

**NOW, THEREFORE, BE IT RESOLVED** by the members of the Pollution Control Financing Authority of Gloucester County, as follows:

1. That the Gloucester County Times, Woodbury, New Jersey is hereby designated as the official newspaper of this body.
2. That the regular meetings of this Authority for the year 2015 shall be held on May 6, 2015; August 5, 2015; and November 4, 2015 at 5:30 P. M. In the Conference Room on the 3rd floor of the County Building, 2 South Broad Street, Woodbury, New Jersey.
3. Copies of this Resolution shall be forthwith mailed to the Gloucester County Times and to the Courier-Post which said newspapers are hereby designated to receive all notices from this Authority pursuant to the Open Public Meetings Act because they have the greatest likelihood of informing the public within the area of jurisdiction of this Authority of such meetings.
4. That a copy of this Resolution shall also be posted in the Gloucester County Court House and filed in the Office of the Clerk of Gloucester County forthwith pursuant to the Act aforesaid.

  
**CHAIRMAN**

**ATTEST:**



**SECRETARY-TREASURER**

**RESOLUTION NO . 2015-03**  
**RESOLUTION APPOINTING AUDITOR**

**WHEREAS**, there exists a need for an Auditor for the Pollution Control Financing Authority of Gloucester County and for the year 2015; and

**WHEREAS**, funds are available for this purpose; and

**WHEREAS**, the Local Public Contracts Law (N. J. S. A. 40A:11 et., seq.) requires that a Resolution authorizing the award of contracts for "professional services" without competitive bids must be publicly advertised:

**NOW, THEREFORE, BE IT RESOLVED** by the Pollution Control Financing Authority of Gloucester County, as follows:

1. That Ball, Buckley and Seher, LLP, be and is hereby appointed as Auditor of the Pollution Control Financing Authority of Gloucester County, effective February 1, 2015 for one year ending February 1, 2016, as per the terms of this Agreement attached hereto and the Chairman of the Pollution Control Financing Authority of Gloucester County is hereby authorized and directed to execute said Agreement;

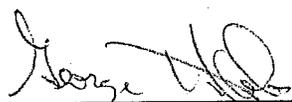
2. This contract is awarded without competitive bidding as a "professional service" under the provisions of N. J. S. A. 40A:11-5 (1) (a) (I) because of aforesaid agreement encompasses the services of a recognized profession, licensed and regulated by law, and is of a nature where it is not possible to obtain competitive bids. And otherwise meets the definition of professional services set forth in the statute;

3. A notice stating the nature, duration, service and the amount of the contract and that this Resolution and contract are on file and available for the public inspection at the office of the Authority, shall be published in the Gloucester County Times.

**ADOPTED** at a meeting of the Pollution Control Financing Authority of Gloucester County, held on February 4, 2015.

  
\_\_\_\_\_  
**CHAIRMAN**

**ATTEST:**

  
\_\_\_\_\_  
**SECRETARY-TREASURER**

**AGREEMENT BETWEEN THE POLLUTION CONTROL  
FINANCING AUTHORITY OF GLOUCESTER COUNTY AND  
BALL, BUCKLEY AND SEHER, LLP, AUDITOR FOR THE  
YEAR 2015**

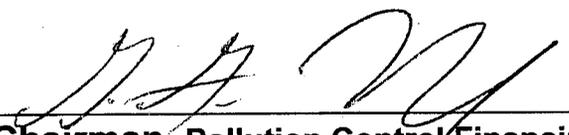
**WHEREAS**, the Pollution Control Financing Authority of Gloucester County, hereinafter referred to as "Authority", requires the services of an Auditor for the year commencing February 1, 2015 and ending February 1, 2016; and

**WHEREAS**, Ball, Buckley and Seher, LLP, hereinafter referred to as "Auditor", is a licensed certified public accountant of the state of New Jersey and has agreed to accept the appointment as Auditor for the Authority for the year aforesaid;

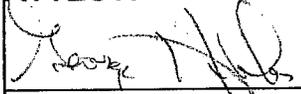
**NOW, THEREFORE, THIS AGREEMENT**, made this 4th day of February, 2015;

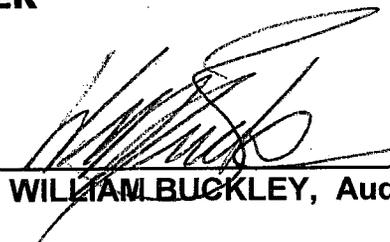
1. Auditor hereby agrees to be appointed Auditor for the Authority as per resolution adopted by the Authority at its meeting February 4, 2015;
2. Auditor agrees to perform all duties required of a certified public accountant for the Authority during the term aforesaid, and such additional duties as may be required by the laws of the State of New Jersey and as specifically required from time to time by the Authority;
3. Auditor shall devote his best efforts to advance the interests of the Authority and shall perform his duties to the best of his ability and in accordance with the standards of conduct required of his profession in the state of New Jersey;
4. Auditor shall be paid for services rendered by him based upon a fee schedule entitled "Auditor's Fee Schedule, 2015", a copy of which is attached hereto and made a part hereof.

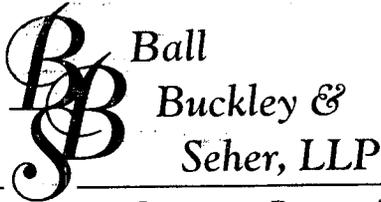
**IN WITNESS WHEREOF**, the parties hereto have hereunto set their respective hands and seals the day and year first written above.

  
\_\_\_\_\_  
Chairman, Pollution Control Financing  
Authority of Gloucester County

ATTEST:

  
\_\_\_\_\_  
**SECRETARY-TREASURER**

  
\_\_\_\_\_  
WILLIAM BUCKLEY, Auditor



CERTIFIED PUBLIC ACCOUNTANTS



February 4, 2015

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, NJ 08096

Dear Mr. Hubbs:

The audit requirements as promulgated by the American Institute of Certified Public Accountants and the State of New Jersey require that we obtain a duly executed engagement letter. This engagement letter supports the resolution already passed by your governing body appointing our firm as auditors for the year 2015, and more specifically details the service we are to perform.

For your convenience, we have enclosed an engagement letter for your signature. After executing the original, kindly return it to our office; the second copy is for your files.

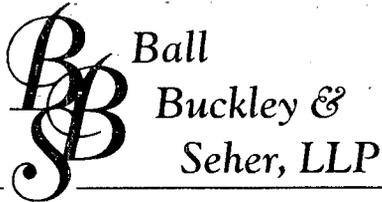
Should you require additional information, please contact our office. Thank you for your cooperation.

Sincerely yours,

A handwritten signature in cursive script that reads 'William H. Buckley, III'.

William H. Buckley, III, C.P.A., R.M.A.

ab  
Enclosures



CERTIFIED PUBLIC ACCOUNTANTS



February 4, 2015

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, NJ 08096

We are pleased to confirm our understanding of the services we are to provide for the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY for the period ended January 31, 2016. We will audit the general purpose financial statements of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY as of and for the period ended January 31, 2015. Also, we will assist you in preparing the following additional information that will not be subjected to the auditing procedures applied in our audit of the general purpose financial statements:

1. Annual budget for the year ending January 31, 2016
2. Financial information to support the budget for the year ending January 31, 2016

Our audit will be conducted in accordance with generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and will include tests of the accounting records of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY and other procedures we consider necessary to enable us to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit, we will not issue a report as a result of this engagement.

The management of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles.

In planning and performing our audit for the year ended January 31, 2015, we will consider the internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY'S general purpose financial statements and not to provide assurance on the internal control.

1301 NORTH BROAD STREET · WOODBURY, NEW JERSEY 08096-1293  
TELEPHONE (856) 848-6250 · TELECOPIER (856) 848-0405

1252 KINGS HIGHWAY · SWEDESBORO, NEW JERSEY 08085  
TELEPHONE (856) 467-4430 · TELECOPIER (856) 467-9548

EMAIL: ballbuckleyseher@bbcpas.com  
www.ballbuckleysehercpas.com

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the general purpose financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the general purpose financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on the internal control and, accordingly, no opinion will be expressed.

We will inform you of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Compliance with laws, regulations, contracts, and grant agreements applicable to the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY is the responsibility of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY'S management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we will perform tests of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY'S compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, fraud or illegal acts may exist and not be detected by us. However, we will inform you of any material errors and any fraud that come to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

We understand that you will provide us with the basic information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. This responsibility includes the establishment and maintenance of adequate records and controls, the selection and application of accounting principles, and the safeguarding of assets. Management is also responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

We understand that your employees will type all cash or other confirmations we request and will locate any invoices selected by us for testing.

Our audit is not specifically designed and cannot be relied on to disclose reportable conditions, that is, significant deficiencies in the design or operation of the internal control. However, during the audit, if we become aware of such reportable conditions or ways that we believe management practices can be improved, we will communicate them to you in a separate letter.

We expect to begin our audit on a date to be scheduled, and to issue our report no later than May 31, 2015.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered and are payable on presentation. Based on our preliminary estimates, the fee should approximate \$1,445.00 for the audit and \$425.00 for the budget. This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* - 1994 Revision requires that we provide you with a copy of our most recent quality control review report. Our most recent peer review report accompanies this letter.

We appreciate the opportunity to be of service to the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



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William H. Buckley, III, C.P.A., R.M.A.  
BALL, BUCKLEY AND SEHER, LLP

Response:

This letter correctly sets forth the understanding of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# Telling & Associates, CPA PC

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Certified Public Accountants  
5 Park Street – Middlebury, VT 05753

## System Review Report

November 14, 2014

To the Partners of Ball, Buckley & Seher, LLP  
and the NJSCPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Ball, Buckley & Seher, LLP (the firm) in effect for the year ended June 30, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants.

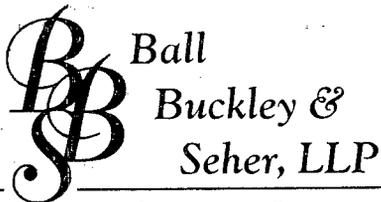
As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included (engagements performed under *Government Auditing Standards*).

In our opinion, the system of quality control for the accounting and auditing practice of Ball, Buckley & Seher, LLP in effect for the year ended June 30, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Ball, Buckley & Seher, LLP has received a peer review rating of *pass*.

Telling & Associates CPA PC

Telling & Associates CPA PC



CERTIFIED PUBLIC ACCOUNTANTS



February 4, 2015

George Hubbs, Secretary-Treasurer  
POLLUTION CONTROL FINANCING AUTHORITY  
OF GLOUCESTER COUNTY  
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We are pleased to confirm our understanding of the services we are to provide for the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY for the period ended January 31, 2016. We will audit the general purpose financial statements of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY as of and for the period ended January 31, 2015. Also, we will assist you in preparing the following additional information that will not be subjected to the auditing procedures applied in our audit of the general purpose financial statements:

1. Annual budget for the year ending January 31, 2016
2. Financial information to support the budget for the year ending January 31, 2016

Our audit will be conducted in accordance with generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and will include tests of the accounting records of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY and other procedures we consider necessary to enable us to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit, we will not issue a report as a result of this engagement.

The management of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles.

In planning and performing our audit for the year ended January 31, 2015, we will consider the internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY'S general purpose financial statements and not to provide assurance on the internal control.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the general purpose financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the general purpose financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on the internal control and, accordingly, no opinion will be expressed.

We will inform you of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Compliance with laws, regulations, contracts, and grant agreements applicable to the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY is the responsibility of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY'S management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we will perform tests of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY'S compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, fraud or illegal acts may exist and not be detected by us. However, we will inform you of any material errors and any fraud that come to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

We understand that you will provide us with the basic information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. This responsibility includes the establishment and maintenance of adequate records and controls, the selection and application of accounting principles, and the safeguarding of assets. Management is also responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

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Our audit is not specifically designed and cannot be relied on to disclose reportable conditions, that is, significant deficiencies in the design or operation of the internal control. However, during the audit, if we become aware of such reportable conditions or ways that we believe management practices can be improved, we will communicate them to you in a separate letter.

We expect to begin our audit on a date to be scheduled, and to issue our report no later than May 31, 2015.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered and are payable on presentation. Based on our preliminary estimates, the fee should approximate \$1,445.00 for the audit and \$425.00 for the budget. This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* - 1994 Revision requires that we provide you with a copy of our most recent quality control review report. Our most recent peer review report accompanies this letter.

We appreciate the opportunity to be of service to the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

  
\_\_\_\_\_  
William H. Buckley, III, C.P.A., R.M.A.  
BALL, BUCKLEY AND SEHER, LLP

Response:

This letter correctly sets forth the understanding of the POLLUTION CONTROL FINANCING AUTHORITY OF GLOUCESTER COUNTY.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_