

**TOWNSHIP OF BUENA VISTA**  
**SCHEDULE OF RENTAL DEPOSITS**

	<u>Ref.</u>		
Balance, December 31, 2011	A	\$	940.00
Increased by:			
Receipts	A-4		1,557.53
			<hr/>
			2,497.53
Decreased by:			
Payment	A-6		
Balance, December 31, 2012	A	\$	<hr/> <hr/> 2,497.53

**TOWNSHIP OF BUENA VISTA**  
**TRUST FUND**  
**SCHEDULE OF TRUST OTHER CASH - TREASURER**

	Ref.	Animal Control Fund	Other Trust Fund
Balance, December 31, 2011	B	\$ 1,293.36	\$ 250,601.74
Increased by Receipts			
Dog License Fees	B-5	7,495.60	
State License Fees	B-5	2,108.40	
Cat License Fees & Other	B-5	1,634.29	
Planning Board Fees			1,350.00
Economic Development Reserves			35,732.39
Trust Other Reserves			234,845.76
Payroll	B-10		1,169,831.59
		<u>12,531.65</u>	<u>1,692,361.48</u>
Decreased by Disbursements			
State of New Jersey	B-4	2,109.60	
Animal Control Expenditures	B-4	10,299.65	
Rental Deposits	B		1,857.83
Due Current Fund	B-4		23,403.21
Economic Development Reserves	B-8		69,394.69
Trust Other Reserves	B-9		204,539.27
Payroll	B-10		1,159,538.86
		<u>12,409.25</u>	<u>1,458,733.86</u>
Balance, December 31, 2012	B	<u>\$ 122.40</u>	<u>\$ 233,627.62</u>

**TOWNSHIP OF BUENA VISTA**  
**TRUST FUND**  
**SCHEDULE OF TRUST OTHER CASH - COLLECTOR**

	<u>Ref.</u>		
Balance December 31, 2011			\$ 23,876.31
Increased by Receipts:			
Deposit for Redemption of Tax Sale Certificates	B-12	\$ 237,243.23	
Premiums Received at Tax Sale	B-13	28,800.00	
		<u>266,043.23</u>	
			289,919.54
Decreased by:			
Tax Sale Certificates Redeemed	B-12	233,769.01	
Return of Premiums	B-13	11,500.00	
		<u>245,269.01</u>	
Balance December 31, 2012			\$ <u><u>44,650.53</u></u>

**TOWNSHIP OF BUENA VISTA**  
**TRUST FUND**  
**SCHEDULE OF PROGRAM LOANS RECEIVABLE**

Balance December 31, 2011	B	\$ 54,138.88
Decreased by:		
Cancelled	B-1	13,094.86
		<hr/>
Balance December 31, 2012	B	\$ 41,044.02
		<hr/> <hr/>

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO (FROM) CURRENT FUND**

	<u>Ref.</u>		
Balance December 31, 2011 (Due to)	B	\$ 1,768.73	
Increased by:			
Collected in 2012	B-1	1,350.00	
		<hr/>	
		3,118.73	
Decreased by:			
Payment	B-1	\$ 23,403.21	
Cancellation of Accounts Receivable	B	1,957.68	
		<hr/>	
		25,360.89	
Balance December 31, 2012 (Due From)	B	\$ 22,242.16	
		<hr/> <hr/>	

**TOWNSHIP OF BUENA VISTA**  
**TRUST FUNDS**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**

	<u>Ref.</u>		
Balance, December 31, 2011	B	\$	1,295.16
Increased by:			
Dog License Fees Collected	B-1	\$	7,495.60
State License Fees	B-1		2,108.40
Cat License Fees Collected	B-1		990.00
Other	B-1		644.29
			11,238.29
			12,533.45
Decreased by:			
Animal Control Expenditures	B-1		12,408.05
Balance, December 31, 2012	B	\$	125.40

**LICENSE FEES COLLECTED**

<u>Year</u>	<u>Amount</u>
2010	\$ 8,353.80
2011	8,198.00
	\$ 16,551.80
	16,551.80

**TOWNSHIP OF BUENA VISTA**  
**TRUST FUND**  
**SCHEDULE OF TAX TITLE LIEN REDEMPTIONS PAYABLE**

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 13,582.83
Increased by:		
Receipt	B-1	237,243.23
		250,826.06
Decreased by:		
Disbursements	B-1	233,769.01
Balance, December 31, 2012	B	\$ 17,057.05

**TRUST FUND**  
**SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE**

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 10,700.00
Increased by:		
Receipt	B-1	28,800.00
		39,500.00
Decreased by:		
Disbursements	B-1	11,500.00
Balance, December 31, 2012	B	\$ 28,000.00

**TOWNSHIP OF BUENA VISTA**  
**TRUST OTHER FUNDS**  
**SCHEDULE OF ECONOMIC DEVELOPMENT RESERVES**

	<u>Ref.</u>	<u>Total</u>	<u>CDBG</u>	<u>Economic Development EDA</u>	<u>Residential Revolving Fund</u>	<u>Program Loans Receivable</u>
Balance, December 31, 2011	B \$	121,885.68	\$ 4,095.69	\$ 5,521.06	\$ 58,130.05	\$ 54,138.88
Increased by						
Receipts	B-1	35,732.39		28,861.82	6,870.57	
		<u>157,618.07</u>	<u>4,095.69</u>	<u>34,382.88</u>	<u>65,000.62</u>	<u>54,138.88</u>
Decreased by						
Cancellation		13,094.86				13,094.86
Disbursements	B-1	69,394.69	4,095.69	1,000.00	64,299.00	
		<u>82,489.55</u>	<u>4,095.69</u>	<u>1,000.00</u>	<u>64,299.00</u>	<u>13,094.86</u>
Balance, December 31, 2012	B \$	<u><u>75,128.52</u></u>	<u><u>\$</u></u>	<u><u>\$ 33,382.88</u></u>	<u><u>\$ 701.62</u></u>	<u><u>\$ 41,044.02</u></u>

**TOWNSHIP OF BUENA VISTA**  
**TRUST OTHER FUNDS**  
**SCHEDULE OF TRUST OTHER RESERVES**

	Ref.	Total	Special Events	Landfill Closure Escrow	Site Plan Escrow Deposits	Planning Board Escrow	Mays Landing Sand and Gravel	Fire Penalties	Recreation Trust	Summer Concert Series
Balance, December 31, 2011	B	\$ 180,650.54	\$ 13,282.90	\$ 75,918.17	\$ 52,990.47	\$ 24,039.03	\$ 9,794.44	\$ 1,327.07	\$ 1,831.80	\$ 1,466.66
Increased by										
Prior Year Adjustment Receipts	B-1	234,845.76	20,462.20	641.02	74,833.21	127,079.90	5.43	1,000.00		10,824.00
		<u>415,496.30</u>	<u>33,745.10</u>	<u>76,559.19</u>	<u>127,823.68</u>	<u>151,118.93</u>	<u>9,799.87</u>	<u>2,327.07</u>	<u>1,831.80</u>	<u>12,290.66</u>
Decreased by										
Disbursements	B-1	204,539.27	19,148.59		101,202.69	72,094.99				12,093.00
Balance, December 31, 2012	B	<u>\$ 210,957.03</u>	<u>\$ 14,596.51</u>	<u>\$ 76,559.19</u>	<u>\$ 26,620.99</u>	<u>\$ 79,023.94</u>	<u>\$ 9,799.87</u>	<u>\$ 2,327.07</u>	<u>\$ 1,831.80</u>	<u>\$ 197.66</u>

**TOWNSHIP OF BUENA VISTA**  
**TRUST FUND**  
**SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE**

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$
Increased by:		
Deposits	B-1	1,169,831.59
Decreased by:		
Payment	B-1	1,159,538.86
Balance, December 31, 2012	B	\$ <u>10,292.73</u>

EXHIBIT B-11

**TRUST OTHER FUND**  
**SCHEDULE OF AMOUNT DUE TO (FROM) STATE OF NEW JERSEY - ANIMAL CONTROL FUND**

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ (1.80)
Increased by:		
Collected in 2012	B-1	2,108.40
		<u>2,106.60</u>
Decreased by:		
Paid to State of New Jersey		2,109.60
Balance December 31, 2012	B	\$ <u>(3.00)</u>

**TOWNSHIP OF BUENA VISTA**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>		
Balance, December 31, 2011	C,C-3	\$	101,772.59
Increased by Receipts			
Interest Income	C-6	\$	401.67
Capital Improvement Fund	C-7		25,000.00
			25,401.67
Balance, December 31, 2012	C,C-3	\$	127,174.26

**TOWNSHIP OF BUENA VISTA  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance December 31, 2011	Receipts			Disbursements		Transfers		Balance December 31, 2012
		Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorization	Miscellaneous	To	From	
Fund Balance	\$ 2,581.52								\$ 2,581.52
Capital Improvement Fund	25,000.00	25,000.00							50,000.00
Due Current Fund	15,606.90		401.67						16,008.57
Reserve for									
<b>IMPROVEMENT AUTHORIZATIONS:</b>									
<b>GENERAL IMPROVEMENTS:</b>									
<u>Ord. No.</u>									
7-2006	Various Improvements to Township Park Improvements	3,867.14							3,867.14
20-2007	Construction of Salt Shed	1,491.40							1,491.40
12-2008	Various Improvements								
Amended by									
17-2008	Purchase Cell Phone Repeaters	5,107.48							5,107.48
2-2009	Roadway Improvement	(6,750.00)							(6,750.00)
7-2009	Code Revitalization Services	700.00							700.00
14-2010	Improvements to Various Streets and Roads a,b) Repair of Storm Drainage System and Roadway Improvement	49,440.34							49,440.34
	c) Public Works Equipment	974.01							974.01
	d) Purchase of Additional Vehicles and Related Equipment for the Township's Public Works Dept	3,753.80							3,753.80
		<u>\$ 101,772.59</u>	<u>\$ 25,000.00</u>	<u>\$ 401.67</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 127,174.26</u>
<u>Ref.</u>		C-2	C-2	C-4	C-12	C-8	C-2		C-2

**TOWNSHIP OF BUENA VISTA  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. Number	Improvement Description	Balance December 31, 2011	2012 Improvement Authorization	Funded by Budget Appropriation	Balance December 31, 2012	Analysis of Balance December 31, 2012		
						Unexpended Improvement Authorization	Expenditures	Bond Anticipation Notes
Various Improvements:								
12-2008 Amended by 17-2008 and 2-2009	c) Roadway Improvements	\$ 6,750.00	\$	\$	\$ 6,750.00		\$ 6,750.00	
7-2009	Code Revitalization Services	13,200.00			13,200.00			13,200.00
14-2010	a, b) Repairs to Storm Drainage System and Roadway Improvements	352,500.00			352,500.00	352,500.00		
	c) Public Works Equipment	38,000.00			38,000.00	38,000.00		
	d) Purchase of Additional Vehicles and Related Equipment for the Township's Public Works Dept	75,000.00			75,000.00	75,000.00		
		<u>\$ 485,450.00</u>	<u>\$</u>	<u>\$</u>	<u>\$ 485,450.00</u>	<u>\$ 465,500.00</u>	<u>\$ 6,750.00</u>	<u>\$ 13,200.00</u>
<u>Ref.</u>		C			C			
					Improvement Authorizations - Unfunded			\$ 67,368.15
					Less:			
					Unexpected Proceeds of Bond Anticipation Notes:			
					Ord# 14-2010 a,b	\$ 49,440.34		
					Ord# 14-2010 c	974.01		
					Ord# 14-2010 d	3,753.80		
								54,168.15
								<u>\$ 13,200.00</u>

**TOWNSHIP OF BUENA VISTA**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 2,271,944.42
Decreased by:		
Green Trust Loan Paid by Budget Appropriation	C-9	\$ 16,868.99
Serial Bonds Paid by Budget Appropriation	C-11	210,000.00
		<u>226,868.99</u>
Balance, December 31, 2012	C	<u>\$ 2,045,075.43</u>

EXHIBIT C-6

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DUE TO CURRENT FUND**

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 15,606.90
Increased by:		
Interest Income	C-2	401.67
Balance December 31, 2012	C	<u>\$ 16,008.57</u>

EXHIBIT C-7

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 25,000.00
Increased by:		
2012 Budget Appropriation	C-2	25,000.00
Balance, December 31, 2012	C	<u>\$ 50,000.00</u>

**TOWNSHIP OF BUENA VISTA  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord No.	Improvement Description	Ordinance		Balance December 31, 2012		2012 Authorizations	Paid or Charged	Balance December 31, 2012	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
<u>General Improvements:</u>									
7-2006	Various Improvements Park Improvements	6-5-06	\$ 330,000	\$ 3,867.14	\$	\$	\$	3,867.14	\$
20-2007	Construction of Salt Shed	10-22-07	70,000	1,491.40				1,491.40	
12-2008 Amended by 17-2008	b) Purchase of Cell Phone Tower	11-10-08	1,225,000	5,107.48				5,107.48	
7-2009	Code Revitalization Services	9-14-09	13,900	700.00	13,200.00			700.00	13,200.00
14-2010	Various Improvements Repairs to Storm Drainage System and Roadway Improvements Public Works Equipment Purchase of Additional Vehicles and Related Equipment for the Township's Public Works Department	10-12-10	550,000						
					49,440.34 974.01				49,440.34 974.01
					3,753.80				3,753.80
				\$ 11,166.02	\$ 67,368.15	\$	\$	\$ 11,166.02	\$ 67,368.15
				<u>Ref.</u>	C	C		C	C



**TOWNSHIP OF BUENA VISTA  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities At		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Date	Amount					
General Bonds of 2009	7/1/09	\$ 2,490,000	7-1-13	\$ 225,000	4.25 %	\$ 2,100,000.00	\$	\$ 210,000.00	\$ 1,890,000.00
			7-1-14	235,000					
			7-1-15	250,000					
			7-1-16	265,000					
			7-1-17	290,000					
			7-1-18	305,000					
			7-1-19	320,000					
					Ref.	C	C-5	C	

**SCHEDULE OF BOND ANTICIPATION NOTES**

Ord No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
14-2010	Various Improvements Repairs to Storm Drainage System and Roadway Improvements	12-21-10	12-21-11	12-20-12	1.19 %	\$ 352,500.00	\$	\$ 352,500.00	\$ 352,500.00
			12-20-12	12-18-13	1.15 %				
	Public Works Equipment	12-21-10	12-21-11	12-20-12	1.19 %	38,000.00		38,000.00	38,000.00
			12-20-12	12-18-13	1.15 %				
Purchase of Additional Vehicles and Related Equipment for the Township's Public Works Department	12-23-10	12-21-11	12-22-12	1.19 %	75,000.00		75,000.00	75,000.00	
		12-22-12	12-18-13	1.15 %					
						Ref.	C	C	C
	Renewals						\$ 465,500.00	\$ 465,500.00	\$ 465,500.00
							\$ 465,500.00	\$ 465,500.00	\$ 465,500.00

**TOWNSHIP OF BUENA VISTA  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance December 31, 2011	Bond Anticipation Notes Issued	Amount Raised in 2012 Budget	Bond Anticipation Notes Authorized	Bond Anticipation Notes Cancelled	Balance December 31, 2012
12-2008 (Amended by 17-2008 and 2-2009)	Various Improvements Roadway Improvements	\$ 6,750.00	\$	\$	\$	\$	\$ 6,750.00
7-2009	Code Revitalization Services	13,200.00					13,200.00
		<u>\$ 19,950.00</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 19,950.00</u>
		Ref. C					C

**TOWNSHIP OF BUENA VISTA**

**COUNTY OF ATLANTIC**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

## TOWNSHIP OF BUENA VISTA

### GENERAL COMMENTS

#### **Payment of Claims**

N.J.S.A. 40A:5-16 requires that the governing body of any local unit shall not pay out any of its monies unless the person claiming the same shall first present a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct and unless it carries a certification of a Township employee having knowledge of the facts that the goods have been received, or the services rendered, to the Township. The Township is using the voucher system in compliance with statutory requirements during the audit year.

#### **Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4**

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law." As of July 1, 2010, the bid threshold was \$36,000 due to the appointment of a Qualified Purchasing Agent.

The governing body of the Township of Buena Vista has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

The minutes indicate that bids were sought by public advertising for the following items:

Reconstruction of Park Avenue and Bernadette Lane  
Reconstruction of Weymouth/Malaga Road Phase I  
Recreation Equipment and Rubber Mulch for Township Parks

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5 for the following:

Engineers   Attorneys   Auditor   Public Defender   Prosecutor   Animal Control   Risk Management

Inasmuch as the system of records did not provide for an accumulation of payments for categories or materials and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures revealed that individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the hiring of any material or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6 were bid.

#### **Awards or Purchases, Contracts or Agreements by Quotations**

##### **N.J.S. 40A:11-6.1**

All contracts enumerated in this section shall be awarded as follows:

- a. For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, which is \$5,400 and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable.

**TOWNSHIP OF BUENA VISTA**

**GENERAL COMMENTS (CONTINUED)**

**Awards or Purchases, Contracts or Agreements by Quotations  
N.J.S. 40A:11-6.1 (Continued)**

The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.

- b. When in excess of the bid threshold, and after documented effort by the contracting agent to secure competitive quotations, a contract for extraordinary unspecifiable services may be awarded upon a determination in writing by the contracting agent that the solicitation of competitive quotations is impracticable. Any such contract shall be awarded by resolution of the governing body.
- c. If authorized by the governing body by resolution or ordinance, all contracts that are in the aggregate less than 15 percent of the bid threshold may be awarded by the contracting agent without soliciting competitive quotations.
- d. Whenever two or more responses to a request of a contracting agent offer equal prices and are the lowest responsible bids or proposals, the contracting unit may award the contract to the vendor whose response, in the discretion of the contracting unit, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous.

Our examination of expenditures revealed that the Township was in compliance as to the required solicited quotes, in accordance with the Local Public Contracts Law.

**Collection of Interest on Delinquent Taxes and Assessments**

The statutes provide the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 3, 2012 passed the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, R.S. 54:4-67 authorizes and permits a municipality to set penalties and rates of interest to be charged for non-payment of delinquent taxes and other municipal liens and charges; and,

WHEREAS, it has been determined by the governing body that the fixing of such interest rates and penalties would be beneficial to the municipality;

NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Township of Buena Vista, County of Atlantic, and State of New Jersey, that it does hereby fix the maximum allowed under R.S. 54:4-67 to be charged against all properties who become delinquent as defined under R.S. 54:4-66 and 67.

BE IT FURTHER RESOLVED, that the charges on account of delinquent properties as set forth herein remain in effect from year to year until such time as the governing body adopts a new resolution setting forth new or different rates.

It appears from an examination of the Collector's records that interest was charged in accordance with the foregoing resolution.

**TOWNSHIP OF BUENA VISTA**

**GENERAL COMMENTS (CONTINUED)**

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 17, 2012 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31<sup>st</sup> of the last three years:

<u>Year</u>	<u>Number</u>
2012	254
2011	235
2010	175

It is essential to good management that all means provided by the statutes be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

**Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent taxes and charges as well as current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2011 and 2012 Taxes	72
Tax Title Liens	26
Total	<u>98</u>

**Deposit of Municipal Funds**

N.J.S.A. 40A:5-15 states:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either:

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our examination revealed that municipal funds were deposited within the mandated time.

**Municipal Court**

A separate report of the municipal court transactions was filed in accordance with the requirements of the Local Finance Board. As part of the test of the records, no attempt was made to differentiate between fines due the Township, County or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

The municipal court was converted to ATS in 1995 and ACS in 1996. While the records appear to be in good condition, the State-formatted output reports for receipts and disbursements do not include all miscellaneous transactions such as overpayments. As a result, a manual analysis documenting adjustments between the State-required reports and cash transactions reflected on the monthly bank reconciliation is maintained to enhance internal control.

## TOWNSHIP OF BUENA VISTA

### GENERAL COMMENTS (CONTINUED)

#### **Payroll**

Various procedures covering payroll and payroll deductions appeared to be followed in accordance with Township policy and state statute. There were various adjustments in payroll deductions payable, required to be made as part of the audit. This involved the bank reconciliations, general ledger and payroll deductions subsidiary ledger.

#### **Assignment of Duties**

Due to the limited number of Township employees, it is difficult to provide what would be considered an adequate segregation of duties in the maintenance of accounting records, cash receipts, cash disbursements, preparation of bank reconciliation's, and the review, approval, and distribution of payroll checks. The Township Council, however, does not believe that the potential benefit of hiring additional employees would outweigh the cost of doing so at this time. Management and council members, charged with governance, do perform monitoring procedures that constitute effective compensating controls to help mitigate the control deficiencies identified above. Examples are reviewing significant fluctuations between actual and budgeted results of operations, reviewing other monthly reports and initiating various inquiries.

### FINDINGS AND RECOMMENDATIONS

#### **\*\*Finding #2012-1:**

While the Township instituted a general ledger for the trust funds and the general capital fund in the prior year, numerous adjustments were required to be reflected, as part of the audit, in the Trust Funds and Grant Fund.

#### **Criteria:**

The State Technical Accounting Directive was expanded to require general ledger accounting for trust funds and capital funds.

#### **Condition:**

While the Township maintained a general ledger for the various funds in 2012, in many cases, the various balances were not supported by adequate detail.

#### **Cause:**

Many of the balances in question relate to old issues in prior years that were not easily susceptible to analysis.

#### **Effect:**

There is a lack of accountability for the activity in the trust funds and grant fund, which could result in errors and financial statement misstatement. One example is the Atlantic County Open Space Grant that was cancelled in 2008 without a resolution and not accurately re-appropriated to the approved Recreation Project possessing a \$150,000 open encumbrance.

#### **Recommendation:**

That the general ledger accounting system be adjusted to agree with adequate supporting detail in the trust funds and grant fund.

TOWNSHIP OF BUENA VISTA

**FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**Finding #2012-2:**

While bank account reconciliations were prepared in 2012 for the various accounts, adjustments were required to be reflected, as part of the audit, for the grant and payroll funds.

**Criteria:**

Bank account reconciliations are a required component of a functioning internal control accounting system.

**Condition:**

Bank reconciliations included items that were not supported by accurate detail in the grant fund, and payroll fund.

**Cause:**

This appeared to be an ongoing problem arising in prior years.

**Effect:**

In addition to requiring numerous adjustments, internal controls over activity and balances in various bank accounts need to be strengthened.

**Recommendation:**

That bank reconciliations for payroll and grant account activity should be performed on a monthly basis and agreed to the general ledger.

**\*\*Finding #2012-3:**

Our audit of the Planning and Zoning Board found the detailed list of activity and deposits did not agree with the reconciled bank balance of the Developers Escrow Account. The exact difference cannot be determined because not all activity in past years can be identified to a particular account.

**Criteria:**

State regulations require the Township of maintain an accounting system to track planning and zoning board deposits. In addition, expenditures are not permitted in excess of the amount on deposit for each escrow account.

**Condition:**

The Township had instituted an accounting system but some of the prior receipts and disbursements into the bank account lack supporting documentation to identify them to a particular deposit. As a result, there are numerous negative and positive balances that do not appear accurate. While a resolution was adopted to cancel a portion of the old balances, the amount reflected was limited to offset accounts with deficit balances.

**Cause:**

Documentation for some activity from several years ago has been misplaced or misfiled making it difficult to allocate all activity in the account.

**Effect:**

There is more than a remote likelihood of a material misstatement of the financial statements that will not be prevented or detected timely.

**Recommendation:**

That the Township continue to pursue a proper disposition for various escrow accounts through receipt, refund or cancellation.

**TOWNSHIP OF BUENA VISTA**

**FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**Finding #2012-4:**

There exist old and obsolete balances in receivables and reserves on the various balance sheets of the Township that have not been properly analyzed from several years ago.

**Criteria:**

It is implied in various state statutes and regulations that various amounts receivable and or reserved should be analyzed and maintained in order to arrive at a proper disposition in a timely manner, as well as be in accordance with the purpose intended.

**Condition:**

There has been an apparent lack of accountability over various activity of the Township, resulting in old obsolete balances that should have been pursued for receipt, disbursement or cancellation. It is not clear if certain receivables have gone uncollected or if expenditures have been charged to the proper budget line item, grant or reserve.

**Cause:**

It appears that adequate resources have not been dedicated to maintaining certain activity in many accounts of the Township.

**Effect:**

Internal control over various activity of the Township appears deficient and in need of strengthening, in order to safeguard the assets of the Township, as well as to be in compliance with assurances attached to various grants and statutory budgeted line items or reserves.

**Recommendation:**

The old and obsolete balances in receivables and reserves on the various balance sheets of the Township should be properly analyzed for proper disposition by receipt, disbursement or cancellation.

**\*\* Denotes a similar recommendation was made in the prior year**

In accordance with the Division of Local Government Services Regulations, a corrective action plan must be prepared and filed by the Township in response to my recommendations.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to contact me.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

Raymond Colavita, C.P.A.  
Registered Municipal Accountant