

**TOWNSHIP OF BUENA VISTA**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2014**



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**TOWNSHIP OF BUENA VISTA**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS - REGULATORY BASIS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2014**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## Independent Auditor's Report

The Honorable Mayor and  
Members of Township Committee  
Township of Buena Vista  
County of Atlantic, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Buena Vista, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township'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 the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 judgment, 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 entity'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 entity'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.

***Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles.***

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Buena Vista on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Buena Vista as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Buena Vista's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2015 on our consideration of the Township of Buena Vista'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Buena Vista's internal control over financial reporting and compliance.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Michael S. Garcia*  
**Michael S. Garcia**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 472**

**May 15, 2015**

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**EXHIBIT - A  
CURRENT FUND**



**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 2,525,186.76	1,718,886.97
Cash - Change	500.00	500.00
Total Cash	<u>2,525,686.76</u>	<u>1,719,386.97</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	-	389.43
Other		
Total Other Receivables	<u>-</u>	<u>389.43</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	38,157.30	25,453.42
Tax Title and Other Liens	161,127.90	325,525.85
Property Acquired for Taxes - at Assessed Valuation	7,864,472.24	6,907,272.24
Revenue Accounts Receivable	4,731.94	30,392.80
Interfund Receivable:		
State and Federal Grant Fund	-	70,937.58
General Capital Fund	-	16,008.57
Due from Employees	373.09	373.09
Total Receivables and Other Assets	<u>8,068,862.47</u>	<u>7,375,963.55</u>
Deferred Charges:		
Emergency Appropriation	-	173,250.00
Special Emergency Appropriation	11,560.00	17,340.00
Total Deferred Charges	<u>11,560.00</u>	<u>190,590.00</u>
Total Regular Fund	<u>10,606,109.23</u>	<u>9,286,329.95</u>
Federal and State Grant Fund:		
Cash	-	-
Federal and State Grants Receivable	860,894.23	1,095,710.32
Due from Current Fund	325,473.48	-
Due from Atlantic County	6,614.72	6,614.72
Total Federal and State Grant Fund	<u>1,192,982.43</u>	<u>1,102,325.04</u>
Total Current Fund	<u>\$ 11,799,091.66</u>	<u>10,388,654.99</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 193,081.01	289,389.20
Reserve for Encumbrances	79,638.64	462,747.63
Accounts Payable	2,360.00	24,788.08
Payroll Taxes Payable	12,615.45	1,397.34
Interfund Payable:		
Trust Other-Reserve for Revolving Loan	21,618.00	21,618.00
Trust Other-Reserve for P.O.A.A.	204.00	204.00
Trust Other-Reserve for Tax Redemption	406.52	406.52
Trust Other-Reserve for Planning Board	19,260.89	19,260.89
Federal and State Grant Fund	325,473.48	-
General Capital	83,444.13	-
Amount Due to State of New Jersey :		
Senior Citizens' & Veterans's Ded	110.57	-
Regional School Tax Payable	812,907.48	0.87
Fire District Levy Payable	0.05	-
Due to MUA - Tax Sale Proceeds	52,246.97	-
Prepaid Taxes	189,045.31	191,492.60
Tax Overpayments	34,494.15	582.26
Emergency Notes Payable	-	173,250.00
Rental Deposits	2,497.53	2,497.53
Amount Due to County for Added and		
Omitted Taxes	8,446.30	10,685.02
Reserve for Sale of Municipal Assets	5,475.00	5,475.00
Marriage License Fees Due to State	125.00	350.00
Reserve for Escrow - Clerk	2,019.35	2,019.35
Reserve for Revaluation	5,321.75	5,321.75
Reserve for Hurricane Irene Expenses	1,517.09	1,517.09
Reserve for Insurance Claim	63,973.78	-
	<u>1,916,282.45</u>	<u>1,213,003.13</u>
Reserve for Receivables and Other Assets	8,068,862.47	7,375,963.55
Fund Balance	620,964.31	697,363.27
Total Regular Fund	<u>10,606,109.23</u>	<u>9,286,329.95</u>
Federal and State Grant Fund:		
Unappropriated Reserves	16,157.38	9,578.78
Appropriated Reserves	615,795.34	759,365.76
Encumbrances Payable	56,529.71	262,442.92
Due to Current Fund	-	70,937.58
Due to Trust Other	4,500.00	-
Due to General Capital	500,000.00	-
Total Federal and State Grant Fund	<u>1,192,982.43</u>	<u>1,102,325.04</u>
Total Current Fund	<u>\$ 11,799,091.66</u>	<u>10,388,654.99</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized		
Fund Balance	\$ 400,000.00	400,000.00
Miscellaneous Revenue Anticipated	1,634,659.62	1,693,088.69
Receipts from Delinquent Taxes	20,476.23	245,817.56
Receipts from Current Taxes	15,907,837.51	15,285,296.68
Non Budget Revenue	29,756.24	47,371.95
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	113,770.04	232,919.16
Interfund Returned	86,946.15	5,328.16
Cancellation of Prior Year Accounts Payable	24,788.08	-
Total Income	<u>18,218,233.87</u>	<u>17,909,822.20</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	1,227,651.00	1,122,600.00
Other Expenses	1,861,524.00	1,924,143.00
Deferred Charges & Statutory Expenditures	193,795.00	193,461.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	-	-
Other Expenses	358,295.73	424,599.63
Capital Improvements	236,000.00	523,205.00
Debt Service	430,320.46	430,945.41
Deferred Charges	78,312.80	5,780.00
Transferred to Board of Education		
Regional District School Tax	9,490,744.00	8,912,827.00
County Tax	3,031,520.66	3,002,906.16
County Share of Added Tax	8,446.30	10,685.02
Fire District Tax	975,890.00	942,604.00
Interfund Created	-	70,937.58
Refund of Prior Year's Revenue	-	19,195.14
Other:		
Senior Citizen Deduction Disallowed	2,132.88	2,256.85
Grants Receivable Cancelled, net	-	15.60
Total Expenditures	<u>17,894,632.83</u>	<u>17,586,161.39</u>
Excess/(Deficit) in Revenue	<u>323,601.04</u>	<u>323,660.81</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year		
Emergency Appropriation	-	173,250.00
Total Adjustments	-	173,250.00
Statutory Excess to Fund Balance	323,601.04	496,910.81
Fund Balance January 1	697,363.27	600,452.46
	1,020,964.31	1,097,363.27
Decreased by:		
Utilization as Anticipated Revenue	400,000.00	400,000.00
Fund Balance December 31	\$ 620,964.31	697,363.27

See Accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	\$ 400,000.00	-	400,000.00
Total Fund Balance Anticipated	400,000.00	-	400,000.00
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	7,500.00	-	8,064.00
Fees and Permits	265,000.00	-	305,556.23
Fines and Costs:			
Municipal Court	100,000.00	-	93,502.80
Interest and Costs on Taxes	55,000.00	-	67,289.10
Interest Earned on Investments	3,000.00	-	3,805.64
Verizon Cell Tower Lease	36,000.00	-	41,187.17
Solid Waste Transfer Fee	8,000.00	-	14,750.43
Cable TV Franchise Fee	19,800.00	-	20,237.24
Uniform Fire Safety Inspection Fees	11,900.00	-	4,457.00
Rent of Post Office	20,887.00	-	20,886.96
Rent of Patcong Building	6,240.00	-	6,600.00
Rent of Deli	5,000.00	-	5,767.20
Rent of House (Toy Store)	9,000.00	-	8,941.75
Rent of Martin Luther King Center	7,500.00	-	7,914.04
Total Section A: Local Revenues	554,827.00	-	608,959.56
Section B: State Aid Without Offsetting Appropriations			
Energy Receipts Tax	701,169.00	-	701,169.00
Garden State Preservation Trust Fund	15,398.00	-	15,398.00
Total Section B: State Aid Without Offsetting Appropriations	716,567.00	-	716,567.00

See Accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or
	Budget	N.J.S. 40A:4-87	(Deficit)
		Realized	
Section D: Interlocal Municipal Service Agreements			
Offset with Appropriations			
Buena Vista Township - Fire District JIF Insurance	39,656.00	33,657.33	(5,998.67)
Total Section D: Interlocal Municipal Service Agreements	<u>39,656.00</u>	<u>33,657.33</u>	<u>(5,998.67)</u>
Section F: Special Items - Public and Private Programs			
NJ DOT - Weymouth/Malaga Phase I	-	200,000.00	-
Municipal Alliance on Alcoholism and Drug Abuse	25,897.00	25,897.00	-
Recycling Tonnage Grant	9,578.73	9,578.73	-
Atlantic County - Community Development Block Grant	40,000.00	40,000.00	-
Total Section F: Special Items - Public and Private Programs	<u>75,475.73</u>	<u>275,475.73</u>	<u>-</u>
Off-Set with Appropriations			
Total Miscellaneous Revenues:	<u>1,386,525.73</u>	<u>1,634,659.62</u>	<u>48,133.89</u>
Receipts from Delinquent Taxes	<u>160,000.00</u>	<u>20,476.23</u>	<u>(139,523.77)</u>
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	2,571,128.54	2,731,688.64	160,560.10
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>2,571,128.54</u>	<u>2,731,688.64</u>	<u>160,560.10</u>
Budget Totals	<u>4,517,654.27</u>	<u>4,786,824.49</u>	<u>69,170.22</u>
Non- Budget Revenues:			
Other Non- Budget Revenues:	-	29,756.24	29,756.24
	<u>\$ 4,517,654.27</u>	<u>4,816,580.73</u>	<u>98,926.46</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

## Analysis of Realized Revenues

## Allocation of Current Tax Collections:

Revenue from Collections	\$	15,907,837.51
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Less: Reserve for Tax Appeals Pending		-
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Net Revenue from Collections		15,907,837.51
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## Allocated to:

School, County and Other Taxes		13,506,600.96
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Balance for Support of Municipal Budget Appropriations		2,401,236.55
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## Increased by:

Appropriation "Reserved for Uncollected Taxes"		330,452.09
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Amount for Support of Municipal Budget Appropriations		2,731,688.64
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## Receipts from Delinquent Taxes:

Delinquent Tax Collection	\$	(26,161.80)
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Tax Title Lien Collections		46,638.03
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Total Receipts from Delinquent Taxes		20,476.23
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## Analysis of Non-Budget Revenue:

## Miscellaneous Revenue Not Anticipated:

Auction (GOV Deals)		59.00
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Bank Fees Refund		263.30
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Certified List		300.00
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Copies/OPRA Requests		51.96
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DMV Inspection Fees		450.00
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Duplicate Tax Bills		25.00
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In Lieu of Taxes		5,774.13
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Inspection Fees		50.00
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Land Sale		11,810.00
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Miscellaneous		1,641.13
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PERS Refund		393.00
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Primary Election Reimbursement-County		576.75
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Recycling Refunds		847.05
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Refund Performance Bond		150.00
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Rent of Gas Station		800.00
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Rental Fees		275.00
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Restitution		175.00
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Seniors & Vets - 2% Adm. Fee		1,599.90
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Soda Machine - MLK		256.52
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Tax Maps		66.50
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Tax Searches		180.00
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Vendor Reimbursements		4,000.00
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Yard Sale Permits		12.00
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Total Miscellaneous Revenue Not Anticipated:		29,756.24
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See Accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
Administration and Executive						
Salaries and Wages	48,100.00	48,611.00	48,610.49	-	0.51	-
Other Expenses	28,000.00	26,000.00	24,744.21	1,253.54	2.25	-
Mayor and Committee						
Salaries and Wages	52,100.00	49,600.00	49,579.46	-	20.54	-
Other Expenses	7,900.00	7,900.00	7,763.44	125.95	10.61	-
Municipal Clerk						
Salaries and Wages	115,000.00	114,820.00	114,727.33	-	92.67	-
Other Expenses	22,000.00	24,000.00	20,326.22	2,740.96	932.82	-
Financial Administration						
Salaries and Wages	112,000.00	112,350.00	112,319.25	-	30.75	-
Other Expenses	18,000.00	19,000.00	15,778.83	2,355.14	866.03	-
Audit Services						
Other Expenses	30,000.00	27,500.00	27,500.00	-	-	-
Collection of Taxes						
Salaries and Wages	62,800.00	61,000.00	60,993.74	-	16.26	-
Other Expenses	16,000.00	16,000.00	13,574.80	529.89	1,895.31	-
Assessment of Taxes						
Salaries and Wages	72,000.00	67,200.00	67,145.34	-	54.66	-
Other Expenses	12,000.00	11,000.00	7,054.53	3,319.76	625.71	-
Prosecutor						
Salaries and Wages	17,000.00	21,200.00	17,963.75	12.50	3,223.75	-
Municipal Court						
Salaries and Wages	120,000.00	115,900.00	115,824.58	-	75.42	-
Other Expenses	13,960.00	16,210.00	15,920.22	277.00	12.78	-
Public Defender						
Salaries and Wages	4,000.00	4,000.00	2,600.00	100.00	1,300.00	-
Legal Services and Costs						
Other Expenses	80,000.00	71,000.00	60,017.18	1,140.00	9,842.82	-
Engineering Services and Costs						
Other Expenses	95,000.00	96,000.00	79,499.97	16,478.25	21.78	-
Professional Services						

See Accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		Reserved	(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved		
<b>LAND USE ADMINISTRATION</b>							
Planning Board							
Salaries and Wages	12,000.00	4,300.00	4,225.24	-	74.76	-	-
Other Expenses	4,000.00	4,000.00	3,653.47	37.50	309.03	-	-
Zoning Board							
Salaries and Wages	10,000.00	9,750.00	9,704.75	-	45.25	-	-
Other Expenses	3,000.00	3,000.00	1,296.51	-	1,703.49	-	-
Code Enforcement - Fire Inspector							
Salaries and Wages	12,000.00	10,200.00	10,195.87	-	4.13	-	-
Other Expenses	8,000.00	4,000.00	3,538.49	286.00	175.51	-	-
<b>INSURANCE</b>							
General Liability	138,935.00	138,935.00	138,935.00	-	-	-	-
Employee Group Health	288,280.00	272,580.00	270,905.57	389.76	1,284.67	-	-
Health Benefits Waiver							
Salaries and Wages	12,000.00	9,020.00	9,018.36	-	1.64	-	-
<b>PUBLIC SAFETY</b>							
Police							
Salaries and Wages	13,200.00	16,500.00	16,245.84	-	254.16	-	-
Other Expenses	300.00	-	-	-	-	-	-
Office of Emergency Management							
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-	-
First Aid Organizations - Contributions	40,000.00	40,000.00	32,452.80	7,547.20	-	-	-
<b>PUBLIC WORKS</b>							
Road Repairs and Maintenance							
Salaries and Wages	460,000.00	514,000.00	504,832.26	-	9,167.74	-	-
Other Expenses	80,000.00	68,880.00	58,508.08	499.62	9,872.30	-	-
Snow Removal	30,000.00	30,000.00	30,000.00	-	-	-	-
Vehicle Maintenance							
Other Expenses	30,000.00	39,000.00	31,375.61	4,890.07	2,734.32	-	-
Public Buildings and Grounds							
Salaries and Wages	100.00	100.00	-	-	100.00	-	-
Other Expenses	115,000.00	110,000.00	92,705.56	10,567.38	6,727.06	-	-
Sanitation							
Other Expenses	311,000.00	311,000.00	279,166.06	-	31,833.94	-	-
<b>HEALTH AND WELFARE</b>							
Animal Control							
Other Expenses	21,000.00	21,000.00	17,500.00	-	3,500.00	-	-
Environmental Health Service							
Environmental Commission							
Other Expenses	1,000.00	1,000.00	588.00	-	412.00	-	-

See Accompanying Notes to Financial Statements - Regulatory Basis



**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>3,282,970.00</b>	<b>3,282,970.00</b>	<b>3,054,555.02</b>	<b>56,733.34</b>	<b>171,681.64</b>	<b>-</b>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
(A) Operations - Excluded from "CAPS"						
Employee Group Health	5,720.00	5,720.00	5,720.00	-	-	-
Police 911 Emergency	68,000.00	68,000.00	68,000.00	-	-	-
Buena Vista Fire Districts-General Liability Insurance	39,656.00	39,656.00	39,656.00	-	-	-
	<u>113,376.00</u>	<u>113,376.00</u>	<u>113,376.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>(A) Public and Private Programs Off-Set by Revenues</b>						
Recycling Tonnage Grant	9,578.73	9,578.73	9,578.73	-	-	-
SFSP Fire District Payment	2,897.00	2,897.00	2,897.00	-	-	-
Municipal Alliance Program						
State Share	25,897.00	25,897.00	25,897.00	-	-	-
Local Share	6,547.00	6,547.00	6,547.00	-	-	-
NJ DOT-Weymouth/Malaga Phase II (40A-4-87 \$200,000+)	-	200,000.00	200,000.00	-	-	-
	<u>44,919.73</u>	<u>244,919.73</u>	<u>244,919.73</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Public and Private Programs Off-Set by Revenues</b>	<b>158,295.73</b>	<b>358,295.73</b>	<b>358,295.73</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operations - Excluded from "CAPS"</b>	<b>158,295.73</b>	<b>358,295.73</b>	<b>358,295.73</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages						
Other Expenses						
(C) Capital Improvements						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	-	-	-
Lease/Purchase of Public Works Equipment	19,000.00	19,000.00	18,991.86	5.30	2.84	-
Improvement to Roads	50,000.00	50,000.00	29,993.81	20,000.00	6.19	-
Improvement to Town Hall						
Improvements to Recreational Facilities	20,000.00	20,000.00	16,200.00	2,900.00	900.00	-
Improvements to Martin Luther King Center	20,000.00	20,000.00	12,500.00	-	7,500.00	-
Purchase of Public Works Truck	50,000.00	50,000.00	37,009.66	-	12,990.34	-
Purchase of Mower	12,000.00	12,000.00	12,000.00	-	-	-
	<u>40,000.00</u>	<u>40,000.00</u>	<u>40,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Public and Private Programs Offset by Revenues</b>	<b>40,000.00</b>	<b>40,000.00</b>	<b>40,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Atlantic County Community Development Block Grant						
Improvements to Martin Luther King Center						
	<u>236,000.00</u>	<u>236,000.00</u>	<u>191,685.33</u>	<u>22,905.30</u>	<u>21,399.37</u>	<u>-</u>
<b>Total Capital Improvements</b>	<b>236,000.00</b>	<b>236,000.00</b>	<b>191,685.33</b>	<b>22,905.30</b>	<b>21,399.37</b>	<b>-</b>

See Accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
(D) Debt Service					
Payment of Bond Principal	235,000.00	235,000.00	235,000.00	-	-
Payment of Bond Anticipation Notes	100,000.00	100,000.00	100,000.00	-	-
Interest on Bonds	70,800.00	70,800.00	70,782.50	-	37.50
Interest on Notes	5,600.00	5,600.00	4,334.31	-	1,265.69
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	20,223.65	20,223.65	20,223.65	-	-
Total Debt Service	<u>431,623.65</u>	<u>431,623.65</u>	<u>430,320.46</u>	-	<u>1,303.19</u>
(E) Deferred Charges					
Emergency Authorizations	72,532.80	72,532.80	72,532.80	-	-
Special Emergency Authorizations - 5 years	5,780.00	5,780.00	5,780.00	-	-
Total Deferred Charges	<u>78,312.80</u>	<u>78,312.80</u>	<u>78,312.80</u>	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>904,232.18</u>	<u>1,104,232.18</u>	<u>1,058,624.32</u>	<u>22,905.30</u>	<u>1,303.19</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>4,187,202.18</u>	<u>4,387,202.18</u>	<u>4,113,179.34</u>	<u>79,638.64</u>	<u>1,303.19</u>
(M) Reserve for Uncollected Taxes	330,452.09	330,452.09	330,452.09	-	-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 4,517,654.27</u>	<u>4,717,654.27</u>	<u>4,443,631.43</u>	<u>79,638.64</u>	<u>1,303.19</u>
Budget	\$	4,517,654.27		Cancelled	\$ 1,303.19
Appropriations by 40A-4-87		200,000.00		Overexpended	-
Emergency Appropriations		-			<u>1,303.19</u>
		<u>4,717,654.27</u>			
Reserve for Uncollected Taxes	\$	330,452.09			
Federal and State Grants		284,919.73			
Deferred Charges		78,312.80			
Capital Improvement Fund					
Disbursements		3,749,946.81			
		<u>4,443,631.43</u>			

See Accompanying Notes to Financial Statements - Regulatory Basis

**EXHIBIT - B  
TRUST FUND**



**TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
<u>Animal Control Fund</u>		
Cash	\$ 170.90	1,153.17
Due from State of New Jersey	1.80	3.00
	<u>172.70</u>	<u>1,156.17</u>
<u>Other Funds</u>		
Cash - Treasurer	386,245.52	370,495.39
Cash - Collector	154,126.16	143,418.87
Program Loan Receivable	7,257.73	7,257.73
Due from Current Fund		
Due from Grant Fund	4,500.00	-
Reserve for Residential Loan	21,618.00	21,618.00
Reserve for P.O.A.A.	204.00	204.00
Reserve for Tax Lien Redemption	406.52	406.52
Reserve for Planning Board Escrow	19,260.89	19,260.89
Due from Township Engineer	75.00	75.00
Economic Development Receivable	18,150.60	26,150.60
	<u>611,844.42</u>	<u>588,887.00</u>
	<u>\$ 612,017.12</u>	<u>590,043.17</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 172.70	1,156.17
	<u>172.70</u>	<u>1,156.17</u>
<u>Other Funds</u>		
Redemption for Outside Liens	16,032.68	14,825.39
Premiums Received at Tax Sale	138,500.00	129,000.00
Reserve for Special Events	6,588.40	17,159.28
Reserve for Landfill Closure Escrow	76,916.86	76,699.30
Reserve for Economic Development	174,434.41	166,534.41
Reserve for Residential Revolving Loans	50,319.03	25,145.47
Reserve for Program Loans Receivable	7,257.73	7,257.73
Reserve for Economic Development Accounts Receivable	18,150.60	26,150.60
Reserve for Site Plan Escrow Deposits	25,270.99	25,270.99
Reserve for Planning Escrow Deposits	59,273.70	46,241.18
Reserve for Escrow-Mays Landing Sand and Gravel	-	9,803.46
Reserve for Summer Concert Series-Recreation	(874.67)	248.92
Reserve for Fire Safety Penalty Act	15,426.61	2,327.07
Reserve for P.O.A.A.	204.00	204.00
Reserve for Snow Removal	6,092.22	36,912.37
Reserve for Recreation Trust	18,251.86	5,106.83
	<u>611,844.42</u>	<u>588,887.00</u>
	\$ <u>612,017.12</u>	<u>590,043.17</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

**EXHIBIT - C**  
**GENERAL CAPITAL FUND**



**GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	2014	2013
Cash	\$ 1,122,723.56	202,174.26
Deferred Charges to Future Taxation -		
Funded	1,550,313.44	1,802,867.38
Unfunded	1,785,450.00	385,450.00
Interfunds and Receivables		
Due from Current Fund	83,444.13	-
Due from Grant Fund	500,000.00	-
	5,041,931.13	2,390,491.64
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	49,440.34	-
Interfunds:		
Due to Current Fund	-	16,008.57
Bond Anticipation Notes Payable	1,765,500.00	365,500.00
Serial Bonds Payable	1,430,000.00	1,665,000.00
Green Trust Loan Payable	120,313.44	137,867.38
Improvement Authorizations:		
Funded	90,895.83	11,166.02
Unfunded	1,513,200.00	67,368.15
Capital Improvement Fund	70,000.00	125,000.00
Fund Balance	2,581.52	2,581.52
	\$ 5,041,931.13	2,390,491.64

There were bonds and notes authorized but not issued at December 31

2013	19,950.00
2014	19,950.00

See Accompanying Notes to Financial Statements - Regulatory Basis

**GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$ 2,581.52	2,581.52
Ending Balance December 31	\$ <u>2,581.52</u>	<u>2,581.52</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

**EXHIBIT - D**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**



**GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Land and Land Improvements	\$ 4,281,000.00	4,281,000.00
Building and Building Improvements	1,962,080.25	1,957,082.25
Machinery, Equipment and Vehicles	2,294,209.68	2,184,590.66
	<hr/>	<hr/>
Total General Fixed Assets	<u>8,537,289.93</u>	<u>8,422,672.91</u>
<u>Liabilities, Reserves, and Fund Balance</u>		
Investment in General Fixed Assets	\$ <u>8,537,289.93</u>	<u>8,422,672.91</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

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**NOTES TO THE FINANCIAL STATEMENTS**



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Except as noted below, the financial statements of the Township of Buena Vista include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Buena Vista, as required by N.J.S. 40A:5-5.

The Township of Buena Vista is located in the County of Atlantic, State of New Jersey. The population according to the 2010 census is 7,570.

The Township is incorporated and operates under a Committee form of government. The Mayor is the chief executive officer of the Township and is appointed by the Township Committee.

Component units are legally separate organizations for which the entity is financially accountable. The entity is financially accountable for an organization if the entity appoints a voting majority of the organization's governing board and (1) the entity is able to significantly influence the programs or services performed or provided by the organization; or (2) the entity is legally entitled to or can otherwise access the organization's resources; the entity is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the entity is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The entity has no component units.

**B. Description of Funds**

The accounting policies of the Township of Buena Vista conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the Township of Buena Vista accounts for its financial transactions through the following separate funds:

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds -- receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund -- receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the entity budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the entity's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the entity which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets -- The entity has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$2,000 are capitalized.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital fund until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes -- It is the policy of the Township of Buena Vista to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Capitalization of Interest -- It is the policy of the Township of Buena Vista to treat interest on projects as a current expense and the interest is included in the current operating budget.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**D. Required Financial Statements**

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

**E. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the entity's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**F. Recent Accounting Pronouncements Not Yet Effective**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions -- an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

**Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2014 and 2013 statutory budgets included a reserve for uncollected taxes in the amount of \$330,452.09 and \$318,509.43. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$400,000.00 and \$400,000.00.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by the Township Committee. The significant budget transfers on the following page were approved in the 2014 and 2013 calendar years:

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
<u>Current Fund:</u>		
General and Administrative		
Salaries and Wages	-	(12,000.00)
Other Expenses	(2,000.00)	-
Mayor and Council		
Salaries and Wages	(2,500.00)	-
Municipal Clerk		
Other Expenses	2,000.00	-
Financial Administration		
Other Expenses	1,000.00	-
Audit Services		
Other Expenses	(2,500.00)	-
Tax Collection		
Salaries and Wages	(1,800.00)	-
Tax Assessment		
Salaries and Wages	(4,800.00)	-
Other Expenses	(1,000.00)	-
Legal Services		
Other Expenses	(9,000.00)	(8,000.00)
Prosecutor		
Salaries and Wages	4,200.00	-
Municipal Court		
Salaries and Wages	(4,100.00)	3,500.00
Other Expenses	2,250.00	(9,000.00)
Engineering Service		
Other Expenses	1,000.00	19,500.00
Planning Board		
Salaries and Wages	(7,700.00)	-
Code Enforcement - Fire Inspector		
Salaries and Wages	(1,800.00)	-
Other Expenses	(4,000.00)	(6,000.00)
General Liability	-	7,600.00
Employee Group Health	(15,700.00)	-
Social Security	(2,500.00)	(9,250.00)
Unemployment Compensation	(3,100.00)	-
Health Benefits Waiver		
Salaries and Wages	(2,980.00)	-
Police		
Salaries and Wages	3,300.00	-
Road Repairs and Maintenance		
Salaries and Wages	54,000.00	-
Other Expenses	(11,120.00)	(35,000.00)
Vehicle Maintenance		
Other Expenses	9,000.00	-
Public Buildings and Grounds		
Other Expenses	(5,000.00)	-
Parks and Playgrounds		
Other Expenses	(10,500.00)	(16,000.00)
Martin Luther King Center		
Salaries and Wages	2,000.00	-
Other Expenses	-	(2,000.00)
Street Lighting	4,000.00	-
Natural Gas	2,400.00	-
Fuel Oil	(2,081.00)	-
Gasoline	3,000.00	-
Improvements to Roads	-	89,205.00

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2014 and 2013, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
Atlantic County Shared Services-Dam Decommissioning	\$ -	28,100.00
NJ DOT Weymouth/Malaga Road	200,000.00	187,000.00
Clean Communities Program	-	27,733.39

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years.

The entity approved a special emergency appropriation in 2012 for \$28,900.00. The emergency was for hurricane damage in the Township. The unfunded balance as of December 31, 2014 was \$11,560.00. During 2013, the entity approved an emergency appropriation for debris cleanup in the amount of \$173,250.00. An unexpended balance of \$100,717.00 was cancelled in February 2014 and is therefore is not included in the 2014 budget.

**Note 3: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2014 and 2013, \$607,692.32 and \$11,447.16 of the municipality's bank balance of \$5,396,942.12 and \$3,173,049.17 respectively was exposed to custodial credit risk.

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**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 4: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2014 and 2013:

	Balance 12/31/2012	Additions	Retirements/ Retirements	Balance 12/31/2013
Land	\$ 4,091,000.00	190,000.00		4,281,000.00
Building	1,783,886.20	173,196.05		1,957,082.25
Equipment and Machinery	2,062,116.08	122,474.58		2,184,590.66
	<u>\$ 7,937,002.28</u>	<u>485,670.63</u>	<u>-</u>	<u>8,422,672.91</u>

	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014
Land	\$ 4,281,000.00			4,281,000.00
Building	1,957,082.00	4,998.00		1,962,080.00
Equipment and Machinery	2,184,591.00	109,619.02		2,294,210.02
	<u>\$ 8,422,673.00</u>	<u>114,617.02</u>	<u>-</u>	<u>8,537,290.02</u>

**Note 5: SHORT-TERM OBLIGATIONS**

	Balance 12/31/12	Issued	Retired	Balance 12/31/13
Bond Anticipation Notes payable:				
Current Fund	\$ -	173,250.00	-	173,250.00
General Capital	465,500.00	365,500.00	465,500.00	365,500.00
	<u>\$ 465,500.00</u>	<u>538,750.00</u>	<u>465,500.00</u>	<u>538,750.00</u>

	Balance 12/31/13	Issued	Retired	Balance 12/31/14
Bond Anticipation Notes payable:				
Current Fund	\$ 173,250.00	-	173,250.00	-
General Capital	365,500.00	1,765,500.00	365,500.00	1,765,500.00
	<u>\$ 538,750.00</u>	<u>1,765,500.00</u>	<u>538,750.00</u>	<u>1,765,500.00</u>

The Capital Bond Anticipation Note was issued on September 11, 2014 and is due and payable on September 10, 2015 with interest at 1.00%. As of December 31, 2014 the entity has authorized but not issued bonds in the amount of \$19,950.00 in the General Capital Fund.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 6: LONG TERM DEBT**

Long-term debt as of December 31, 2014 and 2013 consisted of the following:

	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
Bonds payable:					
General	\$ 1,890,000.00		225,000.00	1,665,000.00	235,000.00
Total	<u>\$ 1,890,000.00</u>	-	<u>225,000.00</u>	<u>1,665,000.00</u>	<u>235,000.00</u>
Other liabilities:					
Loans Payable Compensated Absences Payable	\$ 155,075.00		17,208.00	137,867.00	17,554.00
Absences Payable	91,783.00	6,995.00	-	98,778.00	-
Total long-term liabilities	<u>\$ 2,136,858.00</u>	<u>6,995.00</u>	<u>242,208.00</u>	<u>1,901,645.00</u>	<u>252,554.00</u>

	Balance 12/31/13	Issued	Retired	Balance 12/31/14	Amounts Due Within One Year
Bonds payable:					
General	\$ 1,665,000.00	-	235,000.00	1,430,000.00	250,000.00
Total	<u>\$ 1,665,000.00</u>	-	<u>235,000.00</u>	<u>1,430,000.00</u>	<u>250,000.00</u>
Other liabilities:					
Loans Payable Compensated Absences Payable	\$ 137,867.00	-	17,553.94	120,313.06	17,906.76
Absences Payable	98,778.00	25,461.43	27,792.25	96,447.18	-
Total long-term liabilities	<u>\$ 1,901,645.00</u>	<u>25,461</u>	<u>280,346</u>	<u>1,646,760</u>	<u>267,907</u>

**Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the entity:**

At December 31, 2014, bonds payable in the General Capital Fund consisted of the following individual issues:

\$2,490,000.00 General Bonds dated July 1, 2009 due in annual installments through July 1, 2019 bearing interest at a rate of 4.25% per annum. The balance remaining as of December 31, 2014 is \$1,430,000.00.

\$146,505.00 Green Trust Loan dated March 2, 1999, due in annual installments through March 2, 2016, bearing interest at @.00 per annum. The balance remaining as of December 31, 2014 is \$19,453.45.

\$165,000.00 of Green Trust Loan dated June 14, 2006, due in semi-annual installments through November 10, 2025 bearing interest at 2.00% per annum. The balance remaining as of December 31, 2014 is \$100,859.99.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Year	General Fund	
	Principal	Interest
2015	\$ 250,000.00	60,775.00
2016	265,000.00	50,150.00
2017	290,000.00	38,887.50
2018	305,000.00	26,562.50
2019	320,000.00	13,600.00
	<u>\$ 1,430,000.00</u>	<u>189,975.00</u>

Schedule of Annual Debt Service for Principal and Interest for Green Trust Loans

Year	Principal	Interest
2015	\$ 17,906.76	2,316.88
2016	18,281.69	1,941.95
2017	8,620.61	1,639.61
2018	8,793.89	1,466.33
2019	8,970.68	1,289.57
2020-2024	47,631.47	3,669.61
2015	10,108.35	151.87
	<u>\$ 120,313.45</u>	<u>12,475.82</u>

As of December 31, 2014 the carrying value of the above bonds approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$80,325.00.

<u>Summary of Municipal Debt</u>	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 3,315,813.44	2,168,367.38	2,510,575.43
Total Issued	<u>3,315,813.44</u>	<u>2,168,367.38</u>	<u>2,510,575.43</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	19,950.00	19,950.00	19,950.00
Total Authorized But Not Issued	<u>19,950.00</u>	<u>19,950.00</u>	<u>19,950.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 3,335,763.44</u>	<u>2,188,317.38</u>	<u>2,530,525.43</u>

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .533%.

	Gross Debt	Deductions	Net Debt
Regional School Debt	\$ 6,259,454.50	5,259,454.50	1,000,000.00
General Debt	3,335,763.44	-	3,335,763.44
	<u>\$ 9,595,217.94</u>	<u>5,259,454.50</u>	<u>4,335,763.44</u>

Net Debt \$4,335,763.44 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$626,152,607.33 = .533%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 21,915,341.26
Net Debt	3,335,763.44
Remaining Borrowing Power	<u>\$ 18,579,577.82</u>

The Township of Buena Vista School District, as a K-12 school district, is permitted to borrow up to 4% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

**Note 7: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2014 and 2013, which were appropriated and included as anticipated revenue for the year ending December 31, 2015 and 2014 were as follows:

	2015	2014
Current Fund	\$ 405,000.00	400,000.00

**Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2014	2015 Budget Appropriation	Balance to Succeeding	Balance Cancelled
Current Fund:				
Special Emergency Appropriation	11,560.00	5,780.00	5,780.00	-
	<u>\$ 11,560.00</u>	<u>5,780.00</u>	<u>5,780.00</u>	<u>-</u>

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 9: SCHOOL TAXES**

Regional School Tax in the amounts of \$9,490,744.00 and \$8,912,826.00 have been raised for the 2014 and 2013 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

**Note 10: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance 12/31/14	Balance 12/31/13
Prepaid Taxes	\$ 189,045.31	191,493.00
Cash Liability for Taxes Collected in Advance	<u>\$ 189,045.31</u>	<u>191,493.00</u>

**Note 11: PENSION FUNDS**

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.64% through June 30, 2013 and 6.78% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 10.26% of covered payroll. The entity's contributions to PERS for the years ended December 31, 2014, 2013, and 2012 were \$87,695.00, \$97,211.00 and \$113,173.00.

The total payroll for the year ended December 31, 2014, 2013 and 2012 was \$1,212,618.02, \$1,109,029.46 and \$1,084,850.00. Payroll covered by PERS was \$854,870.00, \$831,051.00 and \$821,259.00.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to  $\frac{1}{60}$ <sup>th</sup> from  $\frac{1}{55}$ <sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a  $\frac{1}{7}$ <sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 12: POST-RETIREMENT BENEFITS**

**Plan Description** The Township of Buena Vista contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at to <http://www.state.nj.us/treasury/pensions/shbp.htm>

**Note 13: ACCRUED SICK AND VACATION BENEFITS**

The Township has permitted employees to accrue a maximum of 36 days of unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. Employees will be paid for 1/3 of the unused sick time in excess of 36 days. Vacation is not accrued, but can be accumulated no more than 2 years. All vacation time accumulated over 2 years is lost if not used. The accrued number of sick and vacation days exceeds 100, as of December 31, 2014. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$96,447.46 in 2014 and \$98,778.00 in 2013. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The entity does not accrue the liability.

**Note 14: ECONOMIC DEPENDENCY**

The Township of Buena Vista is not economically dependent on any one business or industry as a major source of tax revenue for the entity.

**Note 15: RISK MANAGEMENT**

The entity is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The Township maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2014 and 2013 the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The Township is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Township has a general liability limit of \$100,000.00 under JIF, which increases to \$5,000,000.00 under MEL.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 16: ECONOMIC DEVELOPMENT ACCOUNT RECEIVABLE**

The Township has established an Economic Development Trust Account. A receivable existed as of December 31, 2013 in the amount of 26,150.60. Subsequently, a payment was received in 2014 in the amount of 8,000.00. As of December 31, 2014, the receivable balance is 18,150.60.

**Note 17: LANDFILL CLOSURE**

The Township has established a Landfill Closure Account for the purpose of funding the costs of closing the Township landfill site. Charges to this account are for expenses involved with the closing of the landfill, such as fencing off the site and fill. This account has a balance of \$76,916.86 at December 31, 2014.

**Note 18: CONTINGENT LIABILITIES**

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

**Note 19: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2014, the following interfunds were included on the balance sheets of the various funds of the Township of Buena Vista:

	Due From	Due To
Current Fund:		
General Capital Fund		83,444.13
Trust-Escrow		19,260.89
Trust - POAA		204.00
Tax Title Lien Redemption		406.52
Revolving Loan		21,618.00
Grant Fund		325,473.48
Grant Fund:		
Current Fund	325,473.48	
Trust Fund		4,500.00
General Capital Fund		500,000.00
Trust Fund:		
Current Fund-Trust Escrow	19,260.89	
Grant Fund	4,500.00	
Current Fund - POAA	204.00	
Current Fund - Revolving Loan	21,618.00	
Current - Tax Title Lien	406.52	
General Capital Fund:		
Grant Fund	500,000.00	
Current Fund	83,444.13	
	<u>\$ 954,907.02</u>	<u>954,907.02</u>

The amounts due from the Grant fund to the Current fund is due to the fact that there is only one bank account. The amount due to the General Capital fund from the Grant fund is due to a state grant funded improvement authorization. The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 20: LEASE OF TOWNSHIP PROPERTY**

The Township is party to several lease agreements for various entity properties. The entity leases the post office building at a rate of \$1,573 per month. The total rent received in 2014 and 2013 was \$20,887 and 18,876 respectively. In addition the entity leases other buildings and houses at varying monthly amounts, and a portion of the Martin Luther King Center at \$626.17 per month. Total rental income in 2014 and 2013 was \$50,909.95 and \$45,891 respectively for all properties.

**Note 21: SUBSEQUENT EVENTS**

The entity has evaluated subsequent events through May 15, 2015, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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**SUPPLEMENTARY INFORMATION**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## Independent Auditor's Report

The Honorable Mayor and  
Members of Township Committee  
Township of Buena Vista  
County of Atlantic, New Jersey

We have audited, in accordance with the 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, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Township's basic financial statements, and have issued our report thereon dated May 15, 2015, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Financial Statement Findings and Responses #2014-1 and #2014-2.

**Township's Responses to Findings**

The Township's response to the findings identified in our audit is described in the accompanying Schedule of Financial Statement Findings and Responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Michael S. Garcia*  
**Michael S. Garcia**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 472**

**May 15, 2015**

## SCHEDULE OF FINANCIAL STATEMENT FINDINGS

### Finding #2014-1:

**Criteria:**

NJSA 40A:11-5(1) (a) (1) requires that the award of Professional Service contracts be published in the Township's Official Newspaper.

**Condition:**

The Township is unable to provide proof of publication for five Professional Services Contracts awarded during the year.

**Cause:**

The Township did not advertise the award of Professional Service Contracts.

**Effect:**

Non-compliance with NJSA 40A:11-5(1) (a) (1).

**Recommendation:**

That in accordance with NJSA 40A:11-5(1) (a) (1), all Professional Service Contract Awards be advertised.

**Management Response:**

In the future all Professional Service Awards will be advertised and a proof of publication of such advertisement.

### Finding #2014-2:

**Criteria:**

As part of our audit, we reviewed the Township's compliance with the State of New Jersey's Pension and Health Benefits Reform provisions (Chapter 78) of 2011. We discovered that all participating employees were contributing 7% of their annual premiums rather than the percentages established by the State of New Jersey. Furthermore, the client had established the 7% calculation effective January 6, 2010 for all employees. In addition, this calculation was also approved by the Township with their Public Works employees contract (Teamsters Local Union No. 676) effective January 1, 2010. However, the contract expired December 31, 2012; therefore, the Township should have, at that point, adopted the State of New Jersey's Health Care Reform (Chapter 78) contribution method for all employees.

**Condition:**

Effective July 2011, employees whose current contract was expired and employees not covered by a union contract were required to contribute the higher of 1.5% of their annual salary or the percentage established under Chapter 78 of the State of New Jersey Health Care Reform Law effective July 2011.

**Cause:**

The Township did not properly withhold the correct amounts from its employees.

**Effect:**

The Township did not comply with the State of New Jersey Pension and Health Benefits Reform of 2011 in all instances.

**Recommendation:**

That the Township ensure all employees comply with the State of New Jersey Health Benefit Contribution requirements under state law.

**Management Response:**

Management will correct all employees' contribution calculations to correctly reflect the amount that should be contributed in conjunction with the Health Care Reform percentages.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2013-1**

**Condition**

The Township's current fund bank reconciliations were not completed properly and many adjustments were required to be made to the current, grant and trust fund trial balances.

**Current Status**

This recommendation was cleared during 2014.

**Finding 2013-2**

**Condition**

The Planning and Zoning Board bank accounts were not reconciled monthly throughout the year, nor a detailed list of supporting balances maintained. The exact difference could not be determined since not all the activity in past years can be identified to a particular account.

**Current Status**

This recommendation was cleared during 2014.

**Finding 2013-3**

**Condition**

There were revenue miscoding errors which required audit adjustments, and which contributed to year-end interfund balances. Several prior year interfund balances were not liquidated.

**Current Status**

This recommendation was cleared during 2014.

**Finding 2013-4**

**Condition**

The Township has several receivable accounts in the current and trust funds for which balances are not being maintained and tracked.

**Current Status**

This recommendation was cleared during 2014.

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**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2013	\$ 1,718,886.97	-
Increased by Receipts:		
Tax Collector	15,878,150.25	
Revenue Accounts Receivable	1,343,238.59	
Miscellaneous Revenue	29,756.24	
State of New Jersey - Veteran and Senior		
Citizen Deductions	79,995.21	
Marriage Licenses	975.00	
Reserve for Garden State Preservation Trust	15,398.00	
Due to Capital	100,000.00	
Due to MUA - Tax Sale Proceeds	52,246.97	
Due to Grant Fund	404,290.19	
Payroll Taxes	1,405,372.68	
Foreclosed Property	500,000.00	
Reserve for Statewide Insurance Claims	63,973.78	
Due from Current Fund	-	517,323.13
Due to Trust Other	-	4,500.00
Federal and State Unallocated	-	36,157.38
Federal and State Receivables	-	503,108.15
	<u>19,873,396.91</u>	<u>1,061,088.66</u>
	21,592,283.88	1,061,088.66
Decreased by Disbursements:		
Current Year Appropriation	3,749,946.81	
Prior Year Appropriations	535,289.59	
County Taxes	3,031,520.66	
County Taxes Added Omitted	10,685.02	
Regional School Taxes	8,677,837.39	
Fire District Taxes	975,889.95	
Payroll Deductions Paid	1,394,154.57	
State Share of Marriage License Fees	1,200.00	
Emergency Note Redemptions	173,250.00	
Due to Grant Fund	517,323.13	
Due to Current Fund	-	404,290.19
Federal and State Disbursements	-	656,798.47
	<u>19,067,097.12</u>	<u>1,061,088.66</u>
Balance December 31, 2014	\$ <u><u>2,525,186.76</u></u>	<u><u>-</u></u>

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2013		\$	-
Increased by Receipts:			
Prepaid Taxes	\$	189,045.31	
Taxes Receivable		15,608,555.02	
Tax Overpayments		33,911.89	
Tax Title and Other Liens		46,638.03	
		<hr/>	<hr/>
			15,878,150.25
			15,878,150.25
Payments to Treasurer			<hr/>
			15,878,150.25
Balance December 31, 2014		\$	<hr/> <hr/> -

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance Dec. 31, 2013	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2014
				2013	2014			
Arrears	\$ 4,776.23	-	-	-	(2,258.89)	7,035.12	-	-
2012	3,304.38	-	-	-	(827.80)	1,109.49	345.13	2,677.56
2013	17,372.81	-	-	-	(23,075.11)	26,327.90	1,310.04	12,809.98
	25,453.42	-	-	-	(26,161.80)	34,472.51	1,655.17	15,487.54
2014	-	16,105,780.27	8,446.30	191,492.60	15,716,344.91	114,882.45	68,836.85	22,669.76
\$	25,453.42	16,105,780.27	8,446.30	191,492.60	15,690,183.11	149,354.96	70,492.02	38,157.30

15,608,555.02	Cash Receipts
81,628.09	Senior Citizens and Veterans
-	Other
<u>15,690,183.11</u>	

Analysis of Current Year Tax Levy

Tax Yield:

General Property Tax	16,105,780.27
Special District Taxes	975,890.00
Added Taxes (54:4-63.1 et. Seq.)	8,446.30
	<u>17,090,116.57</u>

Tax Levy:

General County Taxes	2,544,655.47
County Library Taxes	251,781.54
County Open Space Taxes	35,883.89
County Health Taxes	199,199.76
County Added and Omitted Taxes	8,446.30
Total County Taxes	<u>3,039,966.96</u>

Local School District Tax	-
Special District Taxes (Fire)	975,890.00
Regional School District Tax	9,490,744.00

Local Tax for Municipal Purposes	2,571,128.54
Add: Additional Tax Levied	<u>1,012,387.07</u>
	<u>3,583,515.61</u>

17,090,116.57

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2013		\$	325,525.85
Increased by:			
Transfers from Taxes Receivable	\$	70,492.02	
Interest and Costs Accrued by Sale of December 15, 2014		12,746.02	
Other		-	
			83,238.04
			408,763.89
Decreased by:			
Collections		46,638.03	
Cancellation of Tax Title Liens		200,997.96	
			247,635.99
Balance December 31, 2014		\$	161,127.90

See Accompanying Auditor's Report



**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>OPERATIONS WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT:</b>					
General Administration					
Salaries and Wages	4.25	4.25	-	4.25	-
Other Expenses	2,116.52	2,116.52	2,049.60	66.92	-
Mayor and Council					
Salaries and Wages	467.12	467.12	-	467.12	-
Other Expenses	376.66	376.66	376.66	-	-
Municipal Clerk					
Salaries and Wages	956.43	956.43	-	956.43	-
Other Expenses	2,118.48	3,618.48	3,428.10	190.38	-
Financial Administration					
Salaries and Wages	55.49	55.49		55.49	-
Other Expenses	4,778.09	4,778.09	3,222.77	1,555.32	-
Audit Services					
Other Expenses	2,050.00	1,050.00	-	1,050.00	-
Collection of Taxes					
Salaries and Wages	0.20	0.20	-	0.20	-
Other Expenses	1,461.64	1,661.64	1,605.79	55.85	-
Assessment of Taxes					
Salaries and Wages	824.51	824.51	-	824.51	-
Other Expenses	1,136.39	1,136.39	86.31	1,050.08	-
Prosecutor					
Salaries and Wages	774.56	774.56	-	774.56	-
Municipal Court					
Salaries and Wages	170.83	170.83	-	170.83	-
Other Expenses	2,870.22	2,870.22	617.16	2,253.06	-
Public Defender					
Salaries and Wages	750.00	750.00	650.00	100.00	-
Legal Services					
Other Expenses	355.69	17,355.69	17,354.69	1.00	-
Engineering Services					
Other Expenses	41,705.79	46,705.79	30,477.50	16,228.29	-

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>LAND USE ADMINISTRATION</b>					
Planning Board					
Salaries and Wages	601.19	601.19	-	601.19	-
Other Expenses	403.65	403.65	-	403.65	-
Zoning Board of Adjustment					
Salaries and Wages	485.53	485.53	-	485.53	-
Other Expenses	806.50	806.50	-	806.50	-
Code Enforcement - Fire Inspector					
Salaries and Wages	977.37	977.37	-	977.37	-
Other Expenses	1,459.40	459.40	38.82	420.58	-
<b>INSURANCE</b>					
General Liability	7.00	7.00	-	7.00	-
Employee Group Health	15,481.40	11,481.40	10,014.96	1,466.44	-
Health Benefits Waiver					
Salaries and Wages	710.60	710.60	-	710.60	-
<b>PUBLIC SAFETY</b>					
Police	30.09	30.09	-	30.09	-
Salaries and Wages	300.00	300.00	-	300.00	-
Office of Emergency Management					
Other Expenses	1,753.16	753.16	370.00	383.16	-
<b>PUBLIC WORKS</b>					
Road Repairs and Maintenance					
Salaries and Wages	14,671.45	7,121.45	-	7,121.45	-
Other Expenses	8,267.83	8,267.83	4,082.47	4,185.36	-
Emergency Authorization - Derrecho Debris Cleanup	173,250.00	173,250.00	173,250.00	-	-
Vehicle Maintenance					
Other Expenses	2,569.98	2,869.98	2,668.13	201.85	-

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Buildings and Grounds					
Salaries and Wages	100.00	100.00	-	100.00	-
Other Expenses	15,807.59	18,807.59	12,406.28	6,401.31	-
Sanitation					
Other Expenses	57,993.70	45,993.70	45,993.70	-	-
<b>HEALTH AND WELFARE</b>					
Environmental Commission					
Other Expenses	567.73	567.73	-	567.73	-
<b>PARKS AND RECREATION</b>					
Parks and Playgrounds					
Salaries and Wages	100.00	100.00	-	100.00	-
Other Expenses	1,925.84	1,925.84	-	1,925.84	-
Summer Youth Program					
Other Expenses	500.00	500.00	-	500.00	-
Martin Luther King Center					
Salaries and Wages	974.10	974.10	-	974.10	-
Other Expenses	768.47	768.47	347.83	420.64	-
<b>UNCLASSIFIED</b>					
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electric	8,142.03	12,742.03	12,680.64	61.39	-
Telephone	855.16	855.16	309.02	546.14	-
Natural Gas	761.58	1,111.58	1,107.96	3.62	-
Fuel Oil	2,103.48	2,103.48	-	2,103.48	-
Gasoline	1,538.66	7,938.66	7,823.39	115.27	-
Landfill/Solid Waste Disposal Costs	65,670.00	53,870.00	33,477.70	20,392.30	-
<b>STATUTORY EXPENDITURES</b>					
Contributions to:					
Social Security System (O.A.S.I.)	2,605.69	2,605.69	-	2,605.69	-
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. Seq.)	287.05	287.05	287.05	-	-
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Employee Group Health	10,062.00	10,062.00	10,062.00	-	-
	See Accompanying Auditor's Report				

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Police 911 Emergency	313.54	313.54	-	313.54	-
<b>CAPITAL IMPROVEMENTS</b>					
Lease Purchase of Public Works Equipment	240.44	240.44	-	240.44	-
Improvements to Roads	255,752.50	255,752.50	251,933.26	3,819.24	-
Improvement to Town Hall	8,112.00	8,112.00	-	8,112.00	-
Improvements to Recreational Facilities	15,836.00	15,836.00	-	15,836.00	-
Improvements to Martin Luther King Center	16,371.25	16,371.25	11,645.00	4,726.25	-
	<u>\$ 752,136.83</u>	<u>752,136.83</u>	<u>638,366.79</u>	<u>113,770.04</u>	<u>-</u>
Cash Disbursements	\$		\$ 636,006.79		
Transfer to Accounts Payable			2,360.00		
			<u>\$ 638,366.79</u>		

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX**

Balance December 31, 2013	\$		
School Tax Deferred		-	
School Tax Payable		<u>0.87</u>	
			\$ 0.87
Increased by:			
Levy - Calendar Year 2014			<u>9,490,744.00</u>
			9,490,744.87
Decreased by:			
Adjustment of Payable		-	
Payments		<u>8,677,837.39</u>	
Balance December 31, 2014			
School Tax Deferred		-	
School Tax Payable		<u>812,907.48</u>	
			<u><u>812,907.48</u></u>
Current Year Liability for Regional District School Tax:			
Tax Paid			8,677,837.39
Tax Payable Ending			<u>812,907.48</u>
			9,490,744.87
Less: Tax Payable Beginning			<u>0.87</u>
Amount charged to Current Year Operations			<u><u>\$ 9,490,744.00</u></u>

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred From 2014 Revenues</u>	<u>Received</u>	<u>Cancellations/ Adjustments</u>	<u>Balance Dec. 31, 2014</u>
<b>FEDERAL GRANTS:</b>					
Small Cities Community Development Block Grant:					
Public Works Garage	21,590.00	-	-	-	21,590.00
Building Improvements	9,588.00	-	-	-	9,588.00
Road Construction - 2010	53,924.04	-	-	-	53,924.04
<b>Total Federal</b>	<b>85,102.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,102.04</b>
<b>STATE GRANTS:</b>					
NJ Transportation Trust Fund Authority Act Bikepath	32,075.00	-	-	-	32,075.00
Cains Mill Road - Phase IV	1,215.55	-	-	-	1,215.55
Weymouth/Malaga Road	108,700.00	-	108,700.00	-	-
NJ DOT - 2014 Weymouth/Malaga Phase I	187,000.00	-	31,550.00	-	155,450.00
NJ DOT - 2013 Weymouth/Malaga Phase II	-	200,000.00	-	-	200,000.00
Clean Communities	23,621.37	26,016.43	26,016.43	23,621.37	-
Municipal Alliance Program					
2012	11,298.60	-	145.21	-	11,153.39
2013	14,452.95	-	14,452.95	-	-
2014	-	25,897.00	25,897.00	-	-
Cultural Arts Grant	1,100.00	-	250.00	-	850.00
NJ DOT - Bikepath Program - 2000	8,717.38	-	-	-	8,717.38
NJ DEP - Hazardouse Discharge Site Remediation Department of Community Affairs - Shared Services Municipal Share	3,945.39	-	-	-	3,945.39
600.00	600.00	-	-	-	600.00
<b>Total State</b>	<b>392,726.24</b>	<b>251,913.43</b>	<b>207,011.59</b>	<b>23,621.37</b>	<b>414,006.71</b>
<b>OTHER GRANTS:</b>					
Atlantic County Open Space Funding - 2008	3,500.00	-	3,500.00	-	-
Atlantic County Open Space Funding - 2009	265,000.00	-	90,481.00	-	174,519.00
Office of Culture & Heritage Affairs	1,050.00	-	-	-	1,050.00
Atlantic County Shared Services:					

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred From 2014 Revenues</u>	<u>Received</u>	<u>Cancellations/ Adjustments</u>	<u>Balance Dec. 31, 2014</u>
Dam Decommission/Unexpected Road	28,100.00	-	28,100.00	-	-
Atlantic County - Community Development Block Grant-Prior	320,232.04	-	170,015.56	-	150,216.48
Atlantic County - Community Development Block Grant-2014	-	40,000.00	4,000.00	-	36,000.00
<b>Total Other</b>	<u>617,882.04</u>	<u>40,000.00</u>	<u>296,096.56</u>	<u>-</u>	<u>361,785.48</u>
<b>\$</b>	<u>1,095,710.32</u>	<u>291,913.43</u>	<u>503,108.15</u>	<u>23,621.37</u>	<u>860,894.23</u>
		Cash Receipts	473,529.37		
		Unappropriated Reserves	29,578.78		
			<u>503,108.15</u>		

**CURRENT FUND  
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2013		2014		Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2014
	Appropriated	Reserve for Encumbrances	Appropriations					
<b>FEDERAL GRANTS:</b>								
Neighborhood Stabilization Road Construction - 2010	53,924.04	-	-	-	-	-	-	53,924.04
FEHA - Dam Reconstruction	42,860.20	-	-	4,915.16	-	-	-	37,945.04
<b>Total Federal</b>	<b>96,784.24</b>	<b>-</b>	<b>-</b>	<b>4,915.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91,869.08</b>
<b>STATE GRANTS:</b>								
Clean Communities - 2011	5,509.09	-	-	-	-	-	-	5,509.09
Clean Communities - 2012	23,621.37	-	-	-	-	23,621.37	-	-
Clean Communities - 2013	23,621.37	-	-	-	-	-	-	23,621.37
Clean Communities - 2013	27,153.39	355.00	-	12,720.61	4,891.72	-	-	9,896.06
Clean Communities - 2014	-	-	26,016.43	-	-	-	-	26,016.43
Comcast Technology Grant	-	-	20,000.00	9,333.33	-	-	-	10,666.67
Municipal Alliance Program - 2011	-	-	-	-	-	-	-	-
Municipal Alliance Program - 2012	16,267.00	-	32,444.00	27,426.15	-	-	-	21,284.85
Municipal Alliance Program - 2013	2,345.28	-	-	-	-	-	-	2,345.28
Bikepath - 2000	20,328.05	-	-	-	-	-	-	20,328.05
Cains Mill Road - Phase IV	35,412.30	35,209.92	-	52,329.95	14,900.99	-	-	3,391.28
Weymouth Road Phase I	9,423.87	-	9,578.78	-	-	-	-	19,002.65
Recycling Tonnage Grant - 2013	-	-	2,897.00	-	-	-	-	2,897.00
Supplemental Fire Services Program - Fire District Payment	29,112.50	-	200,000.00	-	16,500.00	-	-	29,112.50
NJ DEP - Hazardous Discharge Site Remediation	-	-	-	-	-	-	-	-
NJ DOT - 2013 Weymouth/Malaga Phase I	-	187,000.00	-	187,000.00	-	-	-	183,500.00
NJ DOT - 2013 Weymouth/Malaga Phase II	-	-	-	-	-	-	-	-
Nature Trails Program	5,100.00	-	-	-	-	-	-	5,100.00
<b>Total State</b>	<b>197,894.22</b>	<b>222,564.92</b>	<b>290,936.21</b>	<b>288,810.04</b>	<b>36,292.71</b>	<b>23,621.37</b>	<b>-</b>	<b>362,671.23</b>
<b>OTHER GRANTS:</b>								
Atlantic County Open Space Grant	115,000.00	39,878.00	-	61,017.58	20,237.00	-	-	73,623.42
Atlantic County JIF Optional Safety Grant	1,355.26	-	-	-	-	-	-	1,355.26
Atlantic County Shared Services - Dam/Unexpected Road	28,100.00	-	-	28,100.00	-	-	-	-
Atlantic County Community Development Block Grant	280,232.04	-	-	273,955.69	-	-	-	6,276.35
Atlantic County-CDBG MLK Improvement - Prior	40,000.00	-	-	-	-	-	-	40,000.00
Atlantic County-CDBG MLK Improvement - 2014	-	-	40,000.00	-	-	-	-	40,000.00
<b>Total Other</b>	<b>464,687.30</b>	<b>39,878.00</b>	<b>40,000.00</b>	<b>363,073.27</b>	<b>20,237.00</b>	<b>-</b>	<b>-</b>	<b>161,255.03</b>
<b>Totals</b>	<b>759,365.76</b>	<b>262,442.92</b>	<b>330,936.21</b>	<b>656,798.47</b>	<b>56,529.71</b>	<b>23,621.37</b>	<b>-</b>	<b>615,795.34</b>

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

Purpose	Balance Dec. 31, 2013	Transferred To 2014 Appropriations	Received	Adjustments	Balance Dec. 31, 2014
<b>FEDERAL GRANTS:</b>					
None	-	-	-	-	-
<b>Total Federal</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>STATE GRANTS:</b>					
Recycling Tonnage Grant	9,578.78	9,578.78	16,157.38	-	16,157.38
Comcast Technology Grant	-	20,000.00	20,000.00	-	-
<b>Total State</b>	<u>9,578.78</u>	<u>29,578.78</u>	<u>36,157.38</u>	<u>-</u>	<u>16,157.38</u>
	<u>\$ 9,578.78</u>	<u>29,578.78</u>	<u>36,157.38</u>	<u>-</u>	<u>16,157.38</u>

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION**

Balance December 31, 2013		\$	6,907,272.24
Increased by:			
Transfers from Tax Title Liens	\$		2,102,300.00
			2,102,300.00
			9,009,572.24
Decreased by:			
Sale of Foreclosed Property - Assessed Valuation		808,600.00	
Prior years adjustment		336,500.00	
			1,145,100.00
Balance December 31, 2014		\$	7,864,472.24

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS**

Balance December 31, 2013		\$	5,475.00
Increased by:			
None	\$	-	
		<hr/>	<hr/>
			-
			5,475.00
Decreased by:			
None		-	
		<hr/>	<hr/>
			-
Balance December 31, 2014		\$	<u><u>5,475.00</u></u>

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF RENTAL DEPOSITS**

Balance December 31, 2013		\$	2,497.53
Increased by:			
None	\$	-	
		<hr/>	<hr/>
			-
			2,497.53
Decreased by:			
None		-	
		<hr/>	<hr/>
			-
Balance December 31, 2014		\$	<u>2,497.53</u>

See Accompanying Auditor's Report

**TRUST FUND**  
**SCHEDULE OF ANIMAL CONTROL CASH - TREASURER**

Balance December 31, 2013		\$	1,153.17
Increased By Receipts:			
Dog Licenses Fees	\$	5,179.20	
State License Fees		1,435.80	
Cat License Fees		872.00	
Late Fees		609.00	
		<u>          </u>	<u>8,096.00</u>
			9,249.17
Decreased By Disbursements:			
Animal Control Expenditures		7,643.67	
Due to State of New Jersey		1,434.60	
		<u>          </u>	<u>9,078.27</u>
Balance December 31, 2014		\$	<u><u>170.90</u></u>

See Accompanying Auditor's Report

**TRUST FUND**  
**SCHEDULE OF OTHER TRUST CASH - TREASURER**

Balance December 31, 2013 - Treasurer	\$	370,495.39
Balance December 31, 2013 - Collector		<u>143,418.87</u>
		513,914.26
Increased By Receipts:		
Due to Economic Development	\$	100.00
Redemption of Outside Liens		308,164.06
Tax Premiums Received		116,000.00
Reserve for Recreation		13,045.03
Reserve for Special Events		28,025.00
Reserve for Landfill Closure Escrow		217.56
Reserve for Economic Development		8,000.00
Reserve for Snow Removal		30,000.00
Reserve for Residential Revolving Loans		33,173.56
Reserve for Uniform Fire Safety		13,099.54
Reserve for Escrow-Mays Landing Sand and Gravel		24.74
Reserve for Summer Concert Series-Recreation		5,922.27
Reserve for Planning Escrow Deposits		<u>39,833.76</u>
		<u>595,605.52</u>
		1,109,519.78
Decreased By Disbursements:		
Due to Grant Fund		4,500.00
Reserve for Outside Liens		306,956.77
Reserve for Tax Premiums		106,500.00
Reserve for Special Events		38,595.88
Reserve for Economic Development		100.00
Reserve for Summer Concert Series-Recreation		7,045.86
Reserve for Escrow-Mays Landing Sand and Gravel		9,828.20
Reserve for Snow Removal		60,820.15
Reserve for Residential Revolving Loans		8,000.00
Reserve for Planning Escrow Deposits		<u>26,801.24</u>
		<u>569,148.10</u>
Balance December 31, 2014	\$	<u><u>540,371.68</u></u>
Balance December 31, 2014 - Treasurer	\$	386,245.52
Balance December 31, 2014 - Collector		<u>154,126.16</u>
	\$	<u><u>540,371.68</u></u>

See Accompanying Auditor's Report

**TRUST FUND**  
**SCHEDULE OF RESERVE/(DEFICIT) FOR ANIMAL CONTROL EXPENDITURES**

Balance December 31, 2013		\$	1,156.17
Increased By:			
Dog Licenses Fees Collected	\$	5,179.20	
Late Fees Collected		609.00	
Cat License Fees		872.00	
			6,660.20
			7,816.37
Decreased By Disbursements:			
Animal Control Expenditures		7,643.67	
Statutory Excess Due to Current Fund		-	
			7,643.67
Balance December 31, 2014		\$	172.70

License Fees Collected	<u>Year</u>	
	2012	7,495.60
	2013	8,511.20
	\$	16,006.80

See Accompanying Auditor's Report

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO (FROM) STATE OF NEW JERSEY**

Balance December 31, 2013		\$	(3.00)
Increased By:			
Collected in 2014	\$	<u>1,435.80</u>	<u>1,435.80</u>
			<u>1,432.80</u>
Decreased By:			
Paid to State of New Jersey		<u>1,434.60</u>	<u>1,434.60</u>
Balance December 31, 2014		\$	<u><u>(1.80)</u></u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2013		\$	202,174.26
Increased by:			
Capital Improvement Fund	\$	25,000.00	
Proceeds from Bond Anticipation Notes		1,765,500.00	
Due to Current Fund - BAN Sale Proceeds		547.30	
		<hr/>	<hr/>
			1,791,047.30
			<hr/>
			1,993,221.56
Decreased by:			
Improvement Authorizations		4,998.00	
Bond Anticipation Notes		365,500.00	
Due to Grant Fund		500,000.00	
		<hr/>	<hr/>
			870,498.00
			<hr/>
Balance December 31, 2014		\$	<u><u>1,122,723.56</u></u>

See Accompanying Auditor's Report

GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	2,581.52							2,581.52
Capital Improvement Fund	125,000.00	25,000.00	-	-	-	80,000.00	-	70,000.00
Due from Current Fund	16,008.57	547.30	-	-	-	-	-	(83,444.13)
Due from Grant Fund	-	-	-	-	100,000.00	-	-	(500,000.00)
Encumbrances Payable	-	-	-	-	500,000.00	-	49,440.34	49,440.34
<b>Improvement Authorizations:</b>								
2-09 Roadway Improvement	(6,750.00)	-	-	-	-	-	-	(6,750.00)
7-09 Code Revitalization Services	700.00	-	-	-	-	-	-	700.00
14-10 Improvement to Various Streets & Roads								
a,b) Repair Storm Drainage System & Roadway Improvements	49,440.34	-	-	-	-	49,440.34	-	-
c) Public Works Equipment	-	-	-	-	-	-	-	-
d) Purchase of Public Works Vehicles & Related Equipment	-	-	-	-	-	-	-	-
6-13 Construction of Salt Shed & Expenses	15,193.83	-	1,500,000.00	-	-	-	-	15,193.83
14-14 Various Improvements	-	-	-	4,998.00	-	-	80,000.00	1,575,002.00
<b>\$</b>	<b>202,174.26</b>	<b>25,547.30</b>	<b>1,500,000.00</b>	<b>4,998.00</b>	<b>600,000.00</b>	<b>129,440.34</b>	<b>129,440.34</b>	<b>1,122,723.56</b>

See Accompanying Auditor's Report

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

Balance December 31, 2013		\$	125,000.00
Increased by:			
Current Fund Budget Appropriation	\$	25,000.00	
		25,000.00	150,000.00
Decreased by:			
Improvement Authorizations Funded #2014-14		80,000.00	
		80,000.00	70,000.00
Balance December 31, 2014		\$	70,000.00

See Accompanying Auditor's Report

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

Balance December 31, 2013	\$	1,802,867.38
Decreased by:		
Serial Bonds Paid		235,000.00
Green Acres Loan Paid		17,553.94
		252,553.94
Balance December 31, 2014	\$	1,550,313.44

See Accompanying Auditor's Report



**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Authorizations				Deferred Charges to Future Taxation	Paid or Charged	Balance December 31, 2014		
				December 31, 2013		Other Funding	Funded			Unfunded	Funded	Unfunded
				Funded	Unfunded							
7-06	Park Improvements	6/5/2006	330,000	\$ -	-	-	-	-	-	-		
20-07	Construction of Salt Shed	10/22/2007	70,000	-	-	-	-	-	-	-		
12-08/17-08	Purchase Cell Phone Repeaters	11/10/2008	1,225,000	-	-	-	-	-	-	-		
2-09	Roadway Improvement			-	-	-	-	-	-	-		
7-09	Code Revitalization Services	9/14/2009	13,900	700.00	13,200.00	-	-	-	700.00	13,200.00		
14-10	Improvement to Various Streets & Roads			-	-	-	-	-	-	-		
a,b)	Repair Storm Drainage System & Roadway Improvements	10/12/2010	550,000	-	49,440.34	-	-	49,440.34	-	-		
c)	Public Works Equipment			-	-	-	-	-	-	-		
d)	Purchase of Public Works Vehicles & Related Equipment			-	-	-	-	-	-	-		
6-13	Construction of Salt Shed & Expenses	12/9/2013	15,194	10,466.02	4,727.81	-	-	-	15,193.83	-		
14-14	Various Improvements	7/28/2014	1,580,000	-	-	80,000.00	1,500,000.00	4,998.00	75,002.00	1,500,000.00		
				\$ 11,166.02	67,368.15	80,000.00	1,500,000.00	54,438.34	90,895.83	1,513,200.00		

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
General Improvements	7/1/2009	2,490,000	7/1/2015	250,000.00	4.250%	1,665,000.00	-	235,000.00	1,430,000.00
			7/1/2016	285,000.00					
			7/1/2017	290,000.00					
			7/1/2018	305,000.00					
			7/1/2019	320,000.00					
						<u>\$ 1,665,000.00</u>	<u>-</u>	<u>235,000.00</u>	<u>1,430,000.00</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Recreation Facility Expansion	3/2/1999	146,505	2015	9,622.52	2.000% \$	28,886.38	-	9,432.93	19,453.45
			2016	9,830.93					
Michael Debbi Park	6/14/2006	165,000	2015	8,284.24	2.000%	108,981.00	-	8,121.01	100,859.99
			2016	8,450.76					
			2017	8,620.61					
			2018	8,793.89					
			2019	8,970.68					
			2020	9,150.95					
			2021	9,334.89					
			2022	9,522.52					
			2023	9,713.93					
			2024	9,909.18					
			2025	10,108.34					
					\$	<u>137,867.38</u>	<u>-</u>	<u>17,553.94</u>	<u>120,313.44</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance		Increased	Decreased	Balance Dec. 31, 2014
						Dec. 31, 2013	Dec. 31, 2014			
Improvement to Various Streets & Roads Repair Storm Drainage System & Roadway Improvement	14-2010	12/21/2010	12/18/2013	9/12/2014	0.85%	276,774.97	-	-	276,774.97	-
			9/11/2014	9/10/2015	1.00%	-	201,049.95	-	201,049.95	-
Public Works Equipment	14-2010	12/21/2010	12/18/2013	9/12/2014	0.85%	28,862.72	-	-	28,862.72	-
			9/11/2014	9/10/2015	1.00%	-	21,673.47	-	21,673.47	-
Purchase of Public Works Vehicles & Related Equipment	14-2010	12/21/2010	12/18/2013	9/12/2014	0.85%	55,134.50	-	-	55,134.50	-
			9/11/2014	9/10/2015	1.00%	-	39,342.29	-	39,342.29	-
Construction of Salt Shed & Expenses	6-2013	12/21/2010	12/18/2013	9/12/2014	0.85%	4,727.81	-	-	4,727.81	-
			9/11/2014	9/10/2015	1.00%	-	3,434.29	-	3,434.29	-
Various Improvements	14-2014	9/11/2014	9/11/2014	9/10/2015	1.00%	-	1,500,000.00	1,500,000.00	-	1,500,000.00
						\$	365,500.00	1,765,500.00	365,500.00	1,765,500.00
							Note Rollover	\$	265,500.00	
							Budget Paydown	\$	100,000.00	
								\$	365,500.00	

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Other	Balance Dec. 31, 2014
2-09	Various Improvements	\$ 6,750.00	-	-	-	6,750.00
7-09	Code Revitalization Services	13,200.00	-	-	-	13,200.00
14-14	Various Improvements	-	1,500,000.00	1,500,000.00	-	-
		<u>\$ 19,950.00</u>	<u>1,500,000.00</u>	<u>1,500,000.00</u>	<u>-</u>	<u>19,950.00</u>

See Accompanying Auditor's Report

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**TOWNSHIP OF BUENA VISTA**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2014**



**GENERAL COMMENTS**

**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. Currently, the Township is currently without a Qualified Purchasing Agent, however, they were granted an extension that is set to expire in July 2015. Therefore, the bid threshold will revert back to \$17,500 should a QPA not be obtained.

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 Tennis Courts at Hines Park
- Removal & Replacement of Martin Luther King Center Roof Structure
- Rock Salt

**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 6, 2014 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.

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 15, 2014 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>
2014	193
2013	179
2012	254

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 2013 and 2014 Taxes	20
Delinquent Taxes	5
Tax Title Liens	15
Total	<u>40</u>

**Comparison of Tax Levies and Collections Currently**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently Cash Collections</u>	<u>Percentage of Collections</u>
2014	\$ 16,114,227	15,933,999	98.88%
2013	15,499,111	15,285,297	98.62%
2012	14,227,987	13,955,375	98.08%
2011	13,771,648	13,481,950	97.90%
2010	13,150,656	12,845,258	97.68%

**Comparative Schedule of Tax Rate Information**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010R</u>
Tax Rate	\$ 2.310	2.216	2.033	1.972	1.866
Apportionment of Tax Rate:					
Municipal	0.394	0.393	0.384	0.375	0.353
County	0.463	0.461	0.352	0.348	0.323
Regional School	1.453	1.362	1.297	1.249	1.190
Assessed Valuation	653,468,895	654,241,744	654,065,899	634,129,406	660,128,200

R - Revaluation

**Delinquent Taxes and Tax Title Liens**

This tabulation includes a comparison, expressed in percentage, of the total delinquent taxes and tax title liens, in relation to the tax levies of the last five years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2014	\$ 161,128	38,157	199,285	1.29%
2013	325,526	25,453	350,979	2.26%
2012	404,736	16,551	421,287	2.96%
2011	318,812	60,139	378,951	2.75%
2010	212,327	25,739	238,066	1.81%

**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.

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## **FINDINGS AND RECOMMENDATIONS**

### **Finding #2014-1:**

**Criteria:**

NJSA 40A:11-5(1) (a) (1) requires that the award of Professional Service contracts be published in the Township's Official Newspaper.

**Condition:**

The Township is unable to provide proof of publication for five Professional Services Contracts awarded during the year.

**Cause:**

The Township did not advertise the award of Professional Service Contracts.

**Effect:**

Non-compliance with NJSA 40A:11-5(1) (a) (1).

**Recommendation:**

That in accordance with NJSA 40A:11-5(1) (a) (1), all Professional Service Contract Awards be advertised.

**Management Response:**

In the future all Professional Service Awards will be advertised and a proof of publication of such advertisement.

### **Finding #2014-2:**

**Criteria:**

As part of our audit, we reviewed the Township's compliance with the State of New Jersey's Pension and Health Benefits Reform provisions (Chapter 78) of 2011. We discovered that all participating employees were contributing 7% of their annual premiums rather than the percentages established by the State of New Jersey. Furthermore, the client had established the 7% calculation effective January 6, 2010 for all employees. In addition, this calculation was also approved by the Township with their Public Works employees contract (Teamsters Local Union No. 676) effective January 1, 2010. However, the contract expired December 31, 2012; therefore, the Township should have, at that point, adopted the State of New Jersey's Health Care Reform (Chapter 78) contribution method for all employees.

**Condition:**

Effective July 2011, employees whose current contract was expired and employees not covered by a union contract were required to contribute the higher of 1.5% of their annual salary or the percentage established under Chapter 78 of the State of New Jersey Health Care Reform Law effective July 2011.

**Cause:**

The Township did not properly withhold the correct amounts from its employees.

**Effect:**

The Township did not comply with the State of New Jersey Pension and Health Benefits Reform of 2011 in all instances.

**Recommendation:**

That the Township ensure all employees comply with the State of New Jersey Health Benefit Contribution requirements under state law.

**Management Response:**

Management will correct all employees' contribution calculations to correctly reflect the amount that should be contributed in conjunction with the Health Care Reform percentages.

In accordance with 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.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Michael S. Garcia*

**Michael S. Garcia**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 472**

**May 15, 2015**

