

**CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY
COUNTY OF SALEM, NEW JERSEY
RESOLUTION NO. 2021-33**

RESOLUTION CERTIFYING REVIEW OF ANNUAL AUDIT

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of each local authority to cause an annual audit of its accounts to be made, and


WHEREAS, the annual report of audit for the year ended November 30, 2019 has been completed and filed with the Carneys Point Township Sewerage Authority, County of Salem pursuant to N.J.S.A. 40A:5A-15, and

WHEREAS, N.J.S.A. 40A:5A-17 requires the governing body each authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual report of audit, and specifically the section entitled "Schedule of Findings and Recommendations", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board, and

WHEREAS, the members of the governing body have received the annual report of audit, and have specifically reviewed the section entitled "Schedule of Findings and Recommendations", in accordance with N.J.S.A. 40A:5A-17,

NOW THEREFORE BE IT RESOLVED, the governing body of the Carneys Point Township Sewerage Authority, County of Salem, hereby certifies to the Local Finance Board of the State of New Jersey that each Board member has personally reviewed the annual report of audit for the year ended November 30, 2019 and specifically has reviewed the sections of the report of audit entitled "Schedule of Findings and Recommendations", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED, that the Secretary of the Authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution.



AUTHORITY CHAIRMAN

The foregoing is a true copy of a resolution adopted by the governing body of the Carneys Point Township Sewerage Authority on June 15, 2021.



AUTHORITY SECRETARY

| Committee | Moved | Seconded | Y | N | Abstain | Absent |
|------------|-------|----------|---|---|---------|--------|
| Dr. Racite | | | ✓ | | | |
| Mr. Basile | ✓ | | ✓ | | | |
| Mr. Brown | | ✓ | ✓ | | | |
| Mr. Newton | | | ✓ | | | |
| Mr. Rullo | | | ✓ | | | |

LOCAL AUTHORITIES GROUP AFFIDAVIT FORM
PRESCRIBED BY THE NEW JERSEY LOCAL FINANCE BOARD
AUDIT REVIEW CERTIFICATE

We, the members of the governing body of the Carneys Point Township Sewerage Authority, County of Salem, being of full age and being duly sworn according to law, upon our oath, depose and say:

1. We are duly appointed members of the Carneys Point Township Sewerage Authority, County of Salem.

2. We certify, pursuant to N.J.S.A. 40A:5A-17, that we have each reviewed the annual report of audit for the year ended November 30, 2019, and specifically the section of the report of audit entitled "Schedule of Findings and Recommendations."

| Name | Signature |
|---------------------------|---------------------------|
| <u>LAWRENCE C. BASILE</u> | <u>Lawrence C. Basile</u> |
| <u>KENNETH H. BROWN</u> | <u>Kenneth H. Brown</u> |
| <u>Joseph F. Raccie</u> | <u>Joseph F. Raccie</u> |
| <u>Anthony Pullo</u> | <u>Anthony Pullo</u> |
| <u>Charles Newton</u> | <u>Charles Newton</u> |
| <u> </u> | <u> </u> |
| <u> </u> | <u> </u> |

Sworn to and subscribed before me
This 15th day of June, 2021.

June M. Proffitt
Notary Public of New Jersey



JUNE M. PROFFITT
Notary Public - New Jersey
I.D. #2356110
My Comm. Expires Feb. 21, 2022

Carneys Point Township Sewerage Authority
Internal Control Changes as a Result of Findings and Recommendations Noted During the November 30, 2019 Audit

Implementation Time Frame

Corrective Action Planned

Finding

Finding No. 2019-001

The Authority's internal control system lacks certain controls with respect to separation of duties and its system does not consistently produce information and classifications to bring the accounting records into alignment with generally accepted accounting principles. The Authority does not have a system in place that would enable management to prepare its own financial statements and complete disclosures in accordance with generally accepted accounting principles.

During 2020 the Authority appointed a part time CFO to assist in redesigning the procedures in the finance department and reviewing all reconciliations. This accounts payable and accounts receivable duties were also assigned to a specific employee that is not involved in the reconciliation process. A new office manager was also hired.

The change in procedures occurred during 2020 and were fully implemented by 11/30/20.

Finding No. 2019-002

The general ledger and subsidiary ledgers were not properly maintained for the fiscal year ended November 30, 2019. Various general ledger asset and liability account balances did not reconcile with the subsidiary ledgers, including but not limited to, Trustee, Revenue and Developers' Escrow cash balances, consumers accounts receivable, capital assets and deferred connection fee revenue.

As noted above, the financial internal controls and procedures were redesigned in 2020. As a result, these accounts were reconciled and adjustments posted in the fiscal year 2020. Now that COVID restrictions are lifted, operations employees will be inspecting various properties to ensure the accuracy of the connection fee schedule. This process should be completed during July 2021.

The change in procedures occurred during 2020 and were fully implemented by 11/30/20.