

**PLUMSTED TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY**

**(A COMPONENT UNIT OF THE
TOWNSHIP OF PLUMSTED)**

**AUDITOR'S MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS**

JUNE 30, 2011

William E. Antonides and Company
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT AUDITORS

Chairman and Authority Members
Plumsted Township Municipal Utilities Authority
121 Evergreen Road
New Egypt, NJ 08533

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in accordance with audit requirements prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the basic financial statements of the Plumsted Township Municipal Utilities Authority (the "Authority"), in the County of Ocean, for the year ended June 30, 2011, and have issued our report thereon dated October 14, 2011.

As part of our audit, we performed procedures required by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey and the findings, if any, and results thereof are disclosed on the following pages.

This report is intended solely for the information and use of the management of the Authority, the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey and federal and state awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

William E. Antonides and Company
Independent Auditors

William E. Antonides
Certified Public Accountant

October 14, 2011

An audit of the financial accounts and transactions of the Plumsted Township Municipal Utilities Authority, (the "Authority"), in the County of Ocean, for the year ended June 30, 2011 has recently been completed. The results of the audit are herewith set forth.

SCOPE OF AUDIT

The audit covered the financial transactions of the Treasurer and the activities of the Chairman and members of the Authority.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by governing body.

Cash on hand was counted and cash equivalent balances were reconciled with independent certifications obtained directly from the depositories.

All material items of revenue and receipts were established and verified as to source and amount where practical.

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4a

N.J.S. 40A:11-4a 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." The amount set forth pursuant to the above statute was \$26,000 through December 31, 2010 and \$17,500 thereafter.

The commissioners of the Authority have the responsibility of determining whether the expenditures in any category will exceed the above statutory limitation within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the Authority Counsel's opinion should be sought before a commitment is made.

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

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

Contracts or Agreements not Required to be Advertised per N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount... the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable."

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by the statute.

FOLLOW-UP OF PRIOR YEAR FINDINGS

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. All prior year audit findings were corrected in 2011.

FINDINGS/RECOMMENDATIONS

None

ACKNOWLEDGMENT

We desire to express our appreciation for the assistance and courtesies rendered by the Authority officials and employees during the course of the audit.

The foregoing comments are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments, please contact us at your earliest opportunity.
