

BOROUGH OF AUDUBON

COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR 2024



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BOROUGH OF AUDUBON

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR 2024

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Commission
Borough of Audubon
Audubon, New Jersey 08106

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Audubon, in the County of Camden, State of New Jersey, as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Audubon, in the County of Camden, State of New Jersey, as of December 31, 2024 and 2023, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2024, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of Audubon, in the County of Camden, State of New Jersey, as of December 31, 2024 and 2023, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit 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 compliance with audit requirements as 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 the State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of 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 the State 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 and pervasive.

Emphasis of Matter

Change in Accounting Principle

As discussed in note 1 to the financial statements, during the year ended December 31, 2024, the Borough adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The adoption of this new accounting principle resulted in an updated measurement of compensated absences in accordance with the Statement (note 12). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only impacted financial statement disclosures. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we (cont'd):

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

Such information 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. The 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 accompanying supplemental statements and schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2025 on our consideration of the Borough of Audubon'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 solely 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 the effectiveness of the Borough of Audubon's 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 Borough of Audubon's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
October 22, 2025

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Commission
Borough of Audubon
Audubon, New Jersey 08106

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Audubon, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated October 22, 2025. That report indicated that the Borough of Audubon's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing 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 Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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 financial statements. 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which is described in the accompanying *Schedule of Findings and Questioned Costs*, as finding number 2024-001.

The Borough of Audubon's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the finding identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The Borough's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and federal awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
October 22, 2025

BOROUGH OF AUDUBON

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2024 and 2023

<u>ASSETS</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Regular Fund:			
Cash--Treasurer	SA-1	\$ 6,609,025.22	\$ 7,037,942.51
Cash--Change Funds	SA-3	200.00	200.00
Cash--Petty	SA-1	500.00	500.00
Due from State of New Jersey, Vets & Senior Citizens	SA-4	16,338.20	16,088.20
		<u>6,626,063.42</u>	<u>7,054,730.71</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	297,658.29	247,648.63
Tax Title Liens Receivable	SA-6	278,865.36	258,719.40
Sewer Rents Receivable	SA-14	58,028.84	56,035.48
Sewer Liens Receivable	A	1,650.00	1,650.00
Revenue Accounts Receivable	SA-8	4,342.42	4,964.49
Due from CCMUA	SA-19		1,008.24
Due from Trust Animal Control Fund	SB-5	17,033.23	14,539.31
Due from Trust Other Fund	SB-8	292,292.20	304,871.50
		<u>949,870.34</u>	<u>889,437.05</u>
		<u>7,575,933.76</u>	<u>7,944,167.76</u>
Grant Fund:			
Grants Receivable	SA-21	209,361.80	188,757.80
Due from Regular Fund	SA-24	66,386.12	926,483.06
Deferred Charge:			
Grant Expended without Appropriation	SA-1	15,154.78	
Due from Trust Other Fund	B	27,349.45	23,181.84
		<u>318,252.15</u>	<u>1,138,422.70</u>
		<u>\$ 7,894,185.91</u>	<u>\$ 9,082,590.46</u>

(Continued)

BOROUGH OF AUDUBON

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2024 and 2023

LIABILITIES, RESERVES
AND FUND BALANCE

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Regular Fund:			
Appropriation Reserves	A-3;SA-9	\$ 1,236,953.99	\$ 1,032,625.19
Reserve for Encumbrances	A-3;SA-9	84,595.58	57,674.74
Due to State of New Jersey:			
DCA Training Fees	SA-17	3,078.00	2,651.00
Division of Youth & Family Services	SA-18	425.00	600.00
Prepaid Taxes	SA-10	177,098.81	160,432.36
Tax Overpayments	SA-11	24,709.77	32,663.36
Sewer Rent Overpayments	SA-12	5,044.86	5,043.74
Due County for Added and Omitted Taxes	SA-15	16,368.28	13,665.39
Due to Library	SA-7	19,383.75	96,984.96
Due General Capital Fund	SC-6	5,759.15	5,759.15
Reserve for Sale of Municipal Assets	A	6,655.38	6,655.38
Reserve for Municipal Relief Aid	A-2		86,554.65
Reserve for Flag Poll Donations	A	1,200.00	1,200.00
Reserve for Audubon Towers PILOT	SA-20	12,784.00	212,784.00
Due to Federal and State Grant Fund	SA-24	66,386.12	926,483.06
Local School District Taxes Payable	SA-16	1,598,134.99	1,990,531.99
		<u>3,258,577.68</u>	<u>4,632,308.97</u>
Reserves for Receivables and Other Assets	A	949,870.34	889,437.05
Fund Balance	A-1	3,367,485.74	2,422,421.74
		<u>7,575,933.76</u>	<u>7,944,167.76</u>
Grant Fund:			
Reserve for Grants Unappropriated	SA-22	33,746.29	50,317.51
Reserve for Grants Appropriated	SA-23	236,728.25	1,056,174.98
Reserve for Encumbrances	SA-23	15,847.40	
Due to General Capital Fund	C	31,930.21	31,930.21
		<u>318,252.15</u>	<u>1,138,422.70</u>
		<u>\$ 7,894,185.91</u>	<u>\$ 9,082,590.46</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF AUDUBON

CURRENT FUND

Statements of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2024 and 2023

<u>Revenue and Other Income Realized</u>	<u>2024</u>	<u>2023</u>
Fund Balance Utilized	\$ 2,280,000.00	\$ 2,080,000.00
Miscellaneous Revenues Anticipated	3,834,536.23	4,282,265.02
Receipts from Current Taxes	28,539,550.19	27,568,109.66
Receipts from Delinquent Taxes	268,770.79	279,924.43
Non-Budget Revenue	570,788.48	521,648.60
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	815,243.10	845,142.74
Due from Animal Control Fund -- Statutory Excess	2,239.20	1,679.05
Cancellation of Tax Overpayments	9,277.80	
Liquidation of Reserve:		
Due from Trust Other Fund	12,579.30	
Due from General Capital Fund		51,180.50
Due from CCMUA	1,008.24	
	<u>36,333,993.33</u>	<u>35,629,950.00</u>
Total Income		
	<u>36,333,993.33</u>	<u>35,629,950.00</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	4,416,080.00	4,120,499.00
Other Expenses	3,536,766.00	4,007,164.00
Deferred Charges and Statutory Expenditures--Within "CAPS"	1,200,981.00	1,157,019.00
Operations--Excluded from "CAPS":		
Salaries and Wages	792,042.00	1,094,960.00
Other Expenses	1,275,632.89	1,354,174.61
Capital Improvements--Excluded from "CAPS"	50,000.00	50,000.00
Municipal Debt Service--Excluded from "CAPS"	1,051,808.94	1,051,000.85
Special Emergency Authorizations--Excluded from "CAPS"		36,884.16
County Taxes	6,106,941.85	5,946,933.17
Due County for Added and Omitted Taxes	16,368.28	13,665.39
Local District School Tax	14,635,212.00	14,566,660.00
Creation of Reserve:		
Due from Animal Control Fund	2,493.92	1,917.55
Due from Trust Other Fund		91,994.35
Other Debits to Expenditures:		
Cancellation of Police Outside Employment Invoices	21,352.45	30,358.80
Prior Years Senior and Veterans' Deductions Disallowed	3,250.00	2,750.00
	<u>33,108,929.33</u>	<u>33,525,980.88</u>
Total Expenditures		
	<u>33,108,929.33</u>	<u>33,525,980.88</u>
Statutory Excess to Fund Balance	<u>3,225,064.00</u>	<u>2,103,969.12</u>
<u>Fund Balance</u>		
Balance Jan. 1	<u>2,422,421.74</u>	<u>2,398,452.62</u>
	5,647,485.74	4,502,421.74
Decreased by:		
Utilized as Revenue	<u>2,280,000.00</u>	<u>2,080,000.00</u>
Balance Dec. 31	<u>\$ 3,367,485.74</u>	<u>\$ 2,422,421.74</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2024

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 2,280,000.00	-	\$ 2,280,000.00	-
Miscellaneous Revenues:				
Fees and Permits -- Other	6,000.00		15,491.00	\$ 9,491.00
Fines and Costs -- Municipal Court	25,000.00		31,718.26	6,718.26
Interest and Costs on Taxes	60,000.00		88,763.09	28,763.09
Interest on Investments and Deposits	14,121.64		96,552.37	82,430.73
Energy Receipts Taxes	839,708.00		839,708.06	0.06
Cable TV Franchise Fee	115,000.00		216,498.46	101,498.46
Rent of Borough Property	25,000.00		54,497.34	29,497.34
Sewer Fees	460,000.00		509,190.55	49,190.55
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17)				
Uniform Construction Code Fees	50,000.00		108,327.00	58,327.00
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
Public and Private Revenues				
Interlocal Service Agreements Offset With Appropriations:				
Borough of Oaklyn -- Tax Assessor	12,000.00		11,675.00	(325.00)
Borough of Haddon Heights -- Municipal Court	151,542.00		151,542.00	
Borough of Haddon Heights -- Public Works Department	1,018,656.20		1,018,656.20	
Borough of Stratford-- Municipal Court	212,000.00		194,333.34	(17,666.66)
Borough of Gibbsboro-- Municipal Court	40,000.00		37,063.00	(2,937.00)
Public and Private Revenue Off-Set with Appropriations:				
Clean Communities Grant	19,659.31		19,659.31	
Safe and Secure Communities Program-P.L.1993, Chapter 20	8,208.00		8,208.00	
Sustainable Grant - PSEG Energy Grant	7,500.00		7,500.00	
Reserve for Recycling Tonnage Grant	8,462.40		8,462.40	
Body Armor Replacement Grant	1,587.80		1,587.80	
Stormwater Management	15,000.00		15,000.00	
Recreation Facilities Enhancement Program		\$ 15,000.00	15,000.00	
Firefighter Turnout Gear		74,000.00	74,000.00	
Other Special Items:				
PILOT - Audubon Towers	200,000.00		200,000.00	
Reserve for Municipal Relief Fund Aid	86,554.65		86,554.65	
Uniform Fire Safety Act	2,000.00		24,548.40	22,548.40
	<u>3,378,000.00</u>	<u>89,000.00</u>	<u>3,834,536.23</u>	<u>367,536.23</u>
Receipts from Delinquent Taxes	<u>235,000.00</u>	<u>-</u>	<u>268,770.79</u>	<u>33,770.79</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	7,044,983.82		7,183,069.99	138,086.17
Minimum Library Tax	326,016.18		326,016.18	
	<u>7,371,000.00</u>	<u>-</u>	<u>7,509,086.17</u>	<u>138,086.17</u>
Budget Totals	13,264,000.00	89,000.00	13,892,393.19	539,393.19
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>570,788.48</u>	<u>570,788.48</u>
	<u>\$ 13,264,000.00</u>	<u>\$ 89,000.00</u>	<u>\$ 14,463,181.67</u>	<u>\$ 1,110,181.67</u>

(Continued)

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2024

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 28,539,550.19
Allocated to:	
County Taxes	6,106,941.85
School Taxes	15,335,212.00
Due County for Added Taxes	<u>16,368.28</u>

Balance for Support of Municipal Budget Appropriations 7,081,028.06

Add: Appropriation "Reserve for Uncollected Taxes" 428,058.11

Amount for Support of Municipal Budget Appropriations \$ 7,509,086.17

Revenue from Delinquent Taxes:

Delinquent Tax Receipts	\$ 246,859.57
Tax Title Lien Receipts	<u>21,911.22</u>
	<u><u>\$ 268,770.79</u></u>

Miscellaneous Revenue not Anticipated:

Receipts - Chief Financial Officer:

Miscellaneous	\$ 12,881.91
Alcohol Licenses	9,840.00
Sidewalk Inspections	5,600.00
Vacant Property Registration Fees	4,750.00
Rental Unit Fee	37,765.00
Return Check Fee	40.00
Certificate Fee	200.00
Other Licenses	2,738.00
Pre School YMCA Rental	25,000.00
Haddonfield Sewer	3,386.28
Greenwave Interlocal	42,000.00
Senior Citizen and Veteran Administrative Fee	956.77
Interlocal Admin	138,460.01
Interlocal Pension	77,035.60
Rent - Recreation Center	<u>22,825.00</u>
	<u><u>\$ 383,478.57</u></u>

Receipts - Collector:

Audubon Towers PILOT	38,830.00
Special Property Maintenance Fee	478.35
Sewer Interest and Costs	<u>5,260.56</u>
	44,568.91

Due from Trust Other Fund:

Police Outside Service Administration Fees	81,866.00
Police Outside Service Vehicle Fees	<u>60,875.00</u>
	<u>142,741.00</u>
	<u><u>\$ 570,788.48</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2024

	<u>Appropriations</u>		<u>Paid or</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>				<u>Canceled</u>
<u>OPERATIONS--WITHIN "CAPS"</u>						
GENERAL GOVERNMENT FUNCTIONS						
Administration						
Salaries and Wages	\$ 30,674.00	\$ 30,674.00	\$ 30,674.00			
Other Expenses	31,250.00	31,250.00	20,133.91		\$ 11,116.09	
Mayor and Commissioners						
Salaries and Wages	25,500.00	25,500.00	25,500.00			
Other Expenses	3,300.00	3,300.00	1,692.00	\$ 532.00	1,076.00	
Borough Clerk						
Salaries and Wages	119,410.00	119,410.00	118,464.37		945.63	
Other Expenses	27,000.00	27,000.00	15,670.01	133.00	11,196.99	
Computerized Data Processing						
Other Expenses	55,000.00	45,000.00	41,256.07		3,743.93	
Financial Administration						
Salaries and Wages	72,986.00	73,986.00	73,863.92		122.08	
Other Expenses	5,000.00	5,000.00	2,500.00		2,500.00	
Audit Services						
Other Expenses	35,000.00	40,000.00	39,900.00		100.00	
Collection of Taxes						
Salaries and Wages	127,852.00	133,352.00	133,352.00			
Other Expenses	27,700.00	27,700.00	21,759.04		5,940.96	
Assessment of Taxes						
Salaries and Wages	23,737.00	24,937.00	24,849.90		87.10	
Other Expenses	8,600.00	7,400.00	4,178.28		3,221.72	
Legal Services and Costs						
Other Expenses	81,000.00	81,000.00	35,741.32	2,079.00	43,179.68	
Engineering Services and Costs						
Other Expenses	37,500.00	37,500.00	18,526.75		18,973.25	
Historical Society						
Other Expenses	600.00	600.00	240.00		360.00	
Land Use Administration						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning and Zoning Boards						
Salaries and Wages	7,000.00	7,000.00	2,528.30		4,471.70	
Other Expenses	800.00	800.00			800.00	
CODE ENFORCEMENT ADMINISTRATION						
Zoning Code Enforcement						
Salaries and Wages	29,000.00	30,500.00	30,400.04		99.96	
Other Expenses	9,000.00	7,500.00	4,435.81		3,064.19	

(Continued)

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2024

	<u>Budget</u>	<u>Appropriations</u> Budget After <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Canceled</u>
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
Insurance:						
General Liability	\$ 403,650.00	\$ 403,650.00	\$ 383,650.00		\$ 20,000.00	
Group Insurance for Employees	1,660,454.00	1,660,454.00	869,685.32	\$ 2,614.34	188,154.34	\$ 600,000.00
Health Benefit Waiver	25,000.00	25,000.00			25,000.00	
Workers Compensation	7,762.00	7,762.00	7,762.00			
PUBLIC SAFETY FUNCTIONS						
Police						
Salaries and Wages	2,413,733.00	2,413,733.00	2,187,895.08		225,837.92	
Other Expenses	240,450.00	240,450.00	176,964.33	15,792.40	47,693.27	
Office of Emergency Management						
Salaries and Wages	5,000.00	5,000.00	4,574.96		425.04	
Other Expenses	12,150.00	12,150.00	4,903.71	455.88	6,790.41	
Aid to Volunteer Ambulance Association						
Other Expenses	45,000.00	45,000.00			45,000.00	
Fire						
Salaries and Wages	35,700.00	35,700.00	32,049.96		3,650.04	
Other Expenses	86,750.00	86,750.00	26,108.71	17,464.60	43,176.69	
Municipal Court						
Salaries and Wages	118,173.00	118,173.00	74,700.45		43,472.55	
Other Expenses	37,200.00	37,200.00	20,818.14	911.13	15,470.73	
Public Defender						
Other Expenses	12,000.00	12,000.00	3,975.00	1,500.00	6,525.00	
Borough Prosecutor						
Other Expenses	28,000.00	28,000.00	3,583.30	3,916.66	20,500.04	
PUBLIC WORKS FUNCTIONS						
Streets & Roads - Administrative						
Salaries and Wages	327,707.00	327,707.00	311,668.48		16,038.52	
Other Expenses	50,750.00	50,750.00	25,439.30	4,029.83	21,280.87	
Other Public Works Functions						
Salaries and Wages	178,068.00	178,068.00	102,781.56		75,286.44	
Other Expenses	39,000.00	49,000.00	17,430.24	15,811.84	15,757.92	
Solid Waste Collections						
Salaries and Wages	751,200.00	751,200.00	746,339.17		4,860.83	
Other Expenses	14,000.00	14,000.00	678.00		13,322.00	
Public Buildings and Grounds						
Other Expenses	52,800.00	52,800.00	49,613.88	3,048.46	137.66	
Vehicle Maintenance						
Other Expenses	96,000.00	96,000.00	85,097.24	4,738.23	6,164.53	

(Continued)

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2024

	<u>Appropriations</u>		<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Charged</u>			<u>Balance</u>
		<u>Modification</u>				<u>Canceled</u>
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>PARK AND RECREATION FUNCTIONS</u>						
Parks and Playgrounds						
Other Expenses	\$ 10,000.00	\$ 12,000.00	\$ 11,061.55	\$ 330.00	\$ 608.45	
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	22,750.00	22,750.00	22,442.14		307.86	
<u>State Uniform Construction Code Appropriations Offset by</u>						
<u>Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>						
Construction Official						
Salaries and Wages	33,143.00	32,943.00	32,117.16		825.84	
Other Expenses	8,000.00	8,000.00	2,253.50	266.00	5,480.50	
Building Inspector						
Salaries and Wages	4,138.00	4,338.00	4,298.88		39.12	
Plumbing Inspector						
Salaries and Wages	7,143.00	7,143.00	7,142.16		0.84	
Electrical Inspector						
Salaries and Wages	7,143.00	7,143.00	7,142.04		0.96	
Fire Protection Official						
Salaries and Wages	7,143.00	7,143.00	6,980.76		162.24	
Other Expenses	1,000.00	1,000.00			1,000.00	
<u>Unclassified</u>						
Utilities:						
Electric Utilities	90,000.00	56,500.00	49,808.81		6,691.19	
Gasoline	160,000.00	160,000.00	100,259.23		59,740.77	
Street Lighting	93,000.00	93,000.00	85,232.88		7,767.12	
Telephone	42,000.00	42,000.00	25,112.90		16,887.10	
Water Utilities	12,000.00	12,000.00	8,573.04		3,426.96	
Fuel Oil	32,000.00	32,000.00	14,890.13		17,109.87	
Sewerage Processing and Disposal:						
Salaries and Wages	82,430.00	82,430.00	82,429.04		0.96	
Other Expenses	19,500.00	19,500.00	9,480.67	2,981.60	7,037.73	
Fire Hydrant Services	113,000.00	113,000.00	103,201.40	242.58	9,556.02	
Postage	30,000.00	30,000.00	21,506.38		8,493.62	
Solid Waste Disposal Fees	400,000.00	400,000.00	353,516.64	161.25	46,322.11	
Total Operations -- Within "CAPS"	8,572,846.00	8,552,846.00	6,728,833.86	77,008.80	1,147,003.34	\$ 600,000.00
<u>Detail:</u>						
Salaries and Wages	4,406,880.00	4,416,080.00	4,039,752.23		376,327.77	
Other Expenses (Including Contingent)	4,165,966.00	4,136,766.00	2,689,081.63	77,008.80	770,675.57	600,000.00

(Continued)

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2024

	<u>Budget</u>	<u>Appropriations</u> Budget After <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Canceled</u>
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
<u>MUNICIPAL--WITHIN "CAPS"</u>						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	\$ 240,000.00	\$ 233,000.00	\$ 226,813.04		\$ 6,186.96	
Public Employees Retirement System	351,160.00	355,160.00	354,885.87		274.13	
Public Employees Retirement System -- ERI	3,798.00	3,798.00	3,798.00			
Police and Firemen's Retirement System	581,023.00	584,023.00	583,560.46		462.54	
Unemployment Insurance	5,000.00	25,000.00	23,833.34		1,166.66	
Total Statutory Expenditures	<u>1,180,981.00</u>	<u>1,200,981.00</u>	<u>1,192,890.71</u>	<u>-</u>	<u>8,090.29</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures -- Within "CAPS"	<u>1,180,981.00</u>	<u>1,200,981.00</u>	<u>1,192,890.71</u>	<u>-</u>	<u>8,090.29</u>	<u>-</u>
Total General Appropriations for Municipal Purposes -- Within "CAPS"	<u>9,753,827.00</u>	<u>9,753,827.00</u>	<u>7,921,724.57</u>	<u>\$ 77,008.80</u>	<u>1,155,093.63</u>	<u>\$ 600,000.00</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>Maintenance of Free Public Library</u>						
Other Expenses	326,016.18	326,016.18	326,016.18			
Group Insurance Plan for Employees	50,627.00	50,627.00	50,627.00			
General Liability	40,386.00	40,386.00	40,386.00			
Workers Compensation Insurance	12,238.00	12,238.00	12,238.00			
Interlocal Municipal Service Agreements:						
Township of Pennsauken -- Animal Shelter	18,000.00	18,000.00	13,810.20	800.00	3,389.80	
Borough of Oaklyn:						
Borough Tax Assessor	12,000.00	12,000.00	9,000.00		3,000.00	
Municipal Court -- Borough of Haddon Heights						
Salaries and Wages	151,542.00	151,542.00	145,028.84		6,513.16	
Public Works Manager -- Borough of Haddon Heights						
Salaries and Wages	331,500.00	331,500.00	331,500.00			
Other Expenses	687,156.20	687,156.20	630,769.70	6,786.78	49,599.72	
Municipal Court -- Borough of Stratford						
Salaries and Wages	212,000.00	212,000.00	193,655.91		18,344.09	
Municipal Court -- Borough of Gibbsboro						
Salaries and Wages	40,000.00	40,000.00	38,986.41		1,013.59	

(Continued)

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2024

	<u>Budget</u>	<u>Appropriations</u> Budget After <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended</u> <u>Balance</u> <u>Canceled</u>
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u>						
<u>Public and Private Programs Off-Set by Revenues</u>						
Reserve for Recycling Tonnage Grant						
Other Expenses	\$ 8,462.40	\$ 8,462.40	\$ 8,462.40			
Clean Communities Grant						
Other Expenses	19,659.31	19,659.31	19,659.31			
Recreation Facilities Enhancement Program (N.J.S.A. 40A:4-87 \$15,000.00)						
Other Expenses		15,000.00	15,000.00			
Safe and Secure Communities Program-P.L.1993, Chapter 20						
Salaries and Wages	45,000.00	45,000.00	45,000.00			
Body Armor Replacement Grant						
Other Expenses	1,587.80	1,587.80	1,587.80			
Stormwater Management Grant						
Other Expenses	15,000.00	15,000.00	15,000.00			
Sustainable Grant - PSEG Energy Grant						
Other Expenses	7,500.00	7,500.00	7,500.00			
Firefigther Turnout Gear Grant (N.J.S.A. 40A:4-87 \$74,000.00)						
Other Expenses		74,000.00	74,000.00			
	<u>1,978,674.89</u>	<u>2,067,674.89</u>	<u>1,978,227.75</u>	<u>\$ 7,586.78</u>	<u>\$ 81,860.36</u>	<u>-</u>
Total Operations--Excluded from "CAPS"						
Detail:						
Salaries and Wages	792,042.00	792,042.00	763,171.16		28,870.84	
Other Expenses	<u>1,186,632.89</u>	<u>1,275,632.89</u>	<u>1,215,056.59</u>	<u>7,586.78</u>	<u>52,989.52</u>	
<u>CAPITAL IMPROVEMENT--EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	<u>50,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	435,000.00	435,000.00	435,000.00			
Interest on Bonds	92,800.00	92,800.00	92,753.77			\$ 46.23
Capital Lease Obligations Approved Prior to 7/1/2007:						
Principal	486,000.00	486,000.00	486,000.00			
Interest	<u>39,640.00</u>	<u>39,640.00</u>	<u>38,055.17</u>			<u>1,584.83</u>
Total Municipal Debt Service-- Excluded from "CAPS"	<u>1,053,440.00</u>	<u>1,053,440.00</u>	<u>1,051,808.94</u>	<u>-</u>	<u>-</u>	<u>1,631.06</u>

(Continued)

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2024

	<u>Budget</u>	<u>Appropriations</u> Budget After <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Subtotal General Appropriations	\$ 12,835,941.89	\$ 12,924,941.89	\$ 11,001,761.26	\$ 84,595.58	\$ 1,236,953.99	\$ 601,631.06
Reserve for Uncollected Taxes	<u>428,058.11</u>	<u>428,058.11</u>	<u>428,058.11</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 13,264,000.00</u>	<u>\$ 13,353,000.00</u>	<u>\$ 11,429,819.37</u>	<u>\$ 84,595.58</u>	<u>\$ 1,236,953.99</u>	<u>\$ 601,631.06</u>
Appropriation by N.J.S.A. 40A:4-87 Adopted Budget		\$ 89,000.00 <u>13,264,000.00</u>				
		<u>\$ 13,353,000.00</u>				
Reserve for Uncollected Taxes			\$ 428,058.11			
Reserve for Grants Appropriated			186,209.51			
Reimbursed			(293,152.15)			
Disbursed			<u>11,108,703.90</u>			
			<u>\$ 11,429,819.37</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF AUDUBON
TRUST FUND
 Statements of Assets, Liabilities and Reserves--Regulatory Basis
 As of December 31, 2024 and 2023

<u>ASSETS</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Animal Control Fund:			
Cash--Treasurer	SB-1	\$ 22,101.03	\$ 19,533.31
Other Funds:			
Cash--Treasurer	SB-1	424,058.93	467,620.11
Cash--Collector	SB-2	264,582.62	548,450.08
Due from Camden County:			
Community Development Block Grant Program	SB-4	106,422.57	295,523.85
Police Off Duty Services Receivable	SB-9	88,104.43	94,466.97
		<u>883,168.55</u>	<u>1,406,061.01</u>
		<u>\$ 905,269.58</u>	<u>\$ 1,425,594.32</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Regular Fund	SB-5	\$ 17,033.23	\$ 14,539.31
Reserve for Animal Control Fund Expenditures	SB-3	5,067.80	4,994.00
		<u>22,101.03</u>	<u>19,533.31</u>
Other Funds:			
Due to General Capital Fund	C	17,457.33	17,457.33
Due to Regular Fund	SB-8	292,292.20	304,871.50
Due to Grant Fund	SB-1	27,349.45	23,181.84
Due to Criminal Disposition and Review Collection Fund	B	25,895.75	25,895.75
Reserves for:			
Reserve for Community Development Block Grant	SB-7	120,412.51	64,191.19
Reserve for Recycling	SB-7	59,250.96	102,603.26
Reserve for Public Defender	SB-7	11,839.36	8,408.86
Reserve for Unemployment Compensation	SB-7	3,006.17	2,946.43
Reserve for Forfeited Property	SB-7	3,345.45	2,926.00
Reserve for Parking Offenses Adjudication Act	SB-7	2,733.57	2,723.57
Reserve for Developer Escrow Deposits	SB-7	29,945.12	61,845.37
Reserve for Special Improvement District	SB-7	687.60	687.60
Reserve for Payroll Deductions Payable	SB-7	80,234.49	101,442.02
Reserve for Police Off Duty Services	SB-7		7,857.34
Reserve for Tax Title Lien Premiums	SB-7	179,200.00	471,300.00
Reserve for Tax Title Lien Redemptions	SB-7	24,009.32	20,583.63
Reserve for East Atlantic Pavers	SB-7	2,573.95	2,573.95
Reserve for Flex Spending	SB-7	2,935.32	3,242.91
Reserve for Encumbrances	SB-7		181,322.46
		<u>883,168.55</u>	<u>1,406,061.01</u>
		<u>\$ 905,269.58</u>	<u>\$ 1,425,594.32</u>

The accompanying Notes to Financial Statement are an integral part of these statements.

BOROUGH OF AUDUBON
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2024 and 2023

<u>ASSETS</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Cash--Chief Financial Officer	SC-1	\$ 1,830,424.40	\$ 2,355,888.58
Cash Held with Fiscal Agent	SC-1	1.27	1.27
Deferred Charges to Future Taxation:			
Funded	SC-3	4,421,000.00	5,342,000.00
Unfunded	SC-5	4,468,750.00	2,568,750.00
Due from NJ DOT	SC-4	43,748.59	380,381.37
Due from Regular Fund	SC-6	5,759.15	5,759.15
Due from Trust-Other Funds	B	17,457.33	17,457.33
Due from Grant Fund	A	31,930.21	31,930.21
		<u>\$ 10,819,070.95</u>	<u>\$ 10,702,167.91</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
General Serial Bonds	SC-10	\$ 3,916,000.00	\$ 4,351,000.00
Camden County Improvement Authority Lease Payable	SC-9	505,000.00	991,000.00
Bond Anticipation Notes	SC-11	2,568,750.00	2,568,750.00
Reserve for Payment of Debt	C	2,700.54	2,700.54
Improvement Authorizations:			
Funded	SC-8	370,136.90	364,498.60
Unfunded	SC-8	3,020,204.93	1,938,347.87
Reserve for Encumbrances	SC-8	434,730.58	434,322.90
Capital Improvement Fund	SC-7	1,548.00	51,548.00
		<u>\$ 10,819,070.95</u>	<u>\$ 10,702,167.91</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF AUDUBON
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts -- Regulatory Basis
For the Year Ended December 31, 2024

	Balance <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2024</u>
General Fixed Assets:				
Land	\$ 2,289,487.99			\$ 2,289,487.99
Buildings	2,298,550.15	\$ 25,235.00		2,323,785.15
Equipment	<u>6,708,565.24</u>	<u>447,939.53</u>		<u>7,156,504.77</u>
	<u>\$ 11,296,603.38</u>	<u>\$ 473,174.53</u>	<u>-</u>	<u>\$ 11,769,777.91</u>
Investment in General Fixed Assets:				
General Capital Fund	<u>\$ 11,296,603.38</u>	<u>\$ 473,174.53</u>	<u>-</u>	<u>\$ 11,769,777.91</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF AUDUBON
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Audubon (hereafter referred to as the "Borough") was incorporated in January, 1905 and is located in southwest New Jersey approximately eight miles southeast of the City of Philadelphia. According to the 2020 census, the population is 8,707.

The Borough has a Three-Member Commission form of government and the Commissioners are elected to office every four years. The Mayor is chosen to a four-year term by the unanimous consent of the Commissioners and acts as the Chief Executive Officer of the Borough. The Borough Administrator / Treasurer is appointed annually and performs the administrative functions of the Borough on a day-to-day basis.

Component Units - The financial statements of the component units of the Borough are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

Audubon Free Public Library
239 Oakland Avenue
Audubon, New Jersey 08106

Annual financial reports may be inspected directly at the office of the component units during regular business hours.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the *Requirements of Audit* (the "Requirements") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* 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 respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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 costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 225), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Uniform Guidance. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Camden, the Borough of Audubon School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Audubon School District. Operations is charged for the Borough's share of the amount required to be raised by taxation for the period from July 1, 2024 to June 30, 2025, increased by the amount deferred at December 31, 2024 and decreased by the amount deferred at December 31, 2023.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Audubon Free Public Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediately preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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 year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital fund. Where an improvement is a "local Improvement", i.e., assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Compensated Absences and Postemployment Benefits - Compensated absences for paid time off (PTO), sick leave, vacation leave, compensatory time, and certain types of sabbatical leave, and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The Borough implemented the following GASB Statement for the year ended December 31, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only impacted financial statement disclosures. There exists no impact on the financial statements of the Borough.

Because of the implementation of GASB Statement No. 101, the Borough has updated the measurement of compensated absences in accordance with the Statement (note 12).

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected 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 agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2024, the Borough's bank balances of \$9,390,518.47 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 8,960,265.40
Uninsured and Uncollateralized	<u>430,253.07</u>
Total	<u>\$ 9,390,518.47</u>

Cash Held with Fiscal Agent – The Borough entered into a financed purchase obligation with the Camden County Improvement Authority, “the Fiscal Agent”. As a result of this agreement, the Borough maintains an investment and principal and interest accounts in the name of the Fiscal Agent. Interest in the fund remains with the Fiscal Agent and is not disbursed to the Borough. All withdrawals must be approved by the Fiscal Agent. Deposits are not subject to custodial credit risk as defined above. At December 31, 2024, the amount held with the Fiscal Agent is \$1.27.

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 4.037</u>	<u>\$ 3.903</u>	<u>\$ 3.799</u>	<u>\$ 3.641</u>	<u>\$ 3.606</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.033	\$ 0.996	\$ 0.959	\$ 0.932	\$ 0.932
County	0.856	0.835	0.828	0.824	0.826
Local School	2.148	2.072	2.012	1.885	1.848

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2024	\$ 713,845,304.00
2023	712,606,904.00
2022	711,774,151.00
2021	711,771,640.00
2020	713,129,412.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2024	\$ 28,898,664.08	\$ 28,539,550.19	98.76%
2023	27,878,952.11	27,568,109.66	98.89%
2022	27,108,880.71	26,780,330.03	98.79%
2021	25,946,430.74	25,503,640.71	98.29%
2020	25,745,908.32	25,250,336.73	98.08%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2024	\$ 278,865.36	\$ 297,658.29	\$ 576,523.65	1.99%
2023	258,719.40	247,648.63	506,368.03	1.82%
2022	216,496.74	277,174.43	493,671.17	1.82%
2021	190,341.18	355,998.03	546,339.21	2.11%
2020	148,386.01	464,237.14	612,623.15	2.38%

Note 3: PROPERTY TAXES (CONT'D)

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2024	2
2023	3
2022	3
2021	4
2020	4

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2024	None
2023	None
2022	None
2021	None
2020	None

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2024	\$ 56,035.48	\$ 1,650.00	\$ 512,178.00	\$ 569,863.48	\$ 509,190.55
2023	75,473.21	1,650.00	508,559.27	585,682.48	527,997.00
2022	55,178.95	2,123.60	500,891.96	558,194.51	480,597.70
2021	66,817.85	1,325.84	512,426.77	580,570.46	523,267.91
2020	79,154.07	1,325.84	510,483.43	590,963.34	521,105.39

Note 6: LEASES RECEIVABLE

The Borough, as lessor, has entered into the following leases which meet the requirements of GASB Statement No. 87, *Leases*:

Cell Towers Lease - On May 1, 2008, the Borough entered into a five-year lease agreement with four optional additional five-year terms with Verizon for the lease of cell towers with an incremental borrowing rate of 5.00%. Based on this agreement, the Borough is receiving payments of \$2,000.00 on a monthly basis through December 31, 2027 with various 3-4% principal increases occurring each subsequent year.

Under the provisions of GASB 87, as of December 31, 2024, the balance of the lease's receivable is \$117,220.74. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

The following is a summary of the leases as of December 31, 2024:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Towers	<u>\$ 117,220.74</u>	<u>\$ 18,429.96</u>	<u>\$ 6,666.06</u>

Under the provisions of GASB 87, for the year ended December 31, 2024, the Borough would have recognized \$29,283.66 in a reduction of lease receivable and \$6,666.06 in interest revenue related to the leases. In addition, \$18,429.96 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

As a result of the regulatory basis of accounting previously described in note 1, the rental payments collected of \$35,949.72 were reported as revenue in the current fund.

Note 7: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2024	\$ 3,367,485.74	\$ 2,910,000.00	86.41%
2023	2,422,421.74	2,280,000.00	94.12%
2022	2,398,452.62	2,080,000.00	86.72%
2021	2,312,038.24	1,875,000.00	81.10%
2020	1,974,754.27	1,700,000.00	86.09%

Note 8: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2024:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Regular	\$ 309,325.43	\$ 72,145.27
Grant	93,735.57	31,930.21
Trust - Animal Control		17,033.23
Trust - Other		337,098.98
General Capital	55,146.69	
	<u>\$ 458,207.69</u>	<u>\$ 458,207.69</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2025, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: PENSION PLANS

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, certain Borough employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. As a local participation employer of these pension plans, the Borough is referred to as "Employer" throughout this note. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Employer. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - *Special Funding Situation Component (Cont'd)* - The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 15.92% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$340,201.00, and is payable by April 1, 2025. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$342,275.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were \$165,132.33.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2024 was .51% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was \$10,953.00. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$11,568.00.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 34.49% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$617,658.00, and is payable by April 1, 2025. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$555,882.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were \$179,067.30.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2024 was 5.84% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was \$104,582.00, and is payable by April 1, 2025. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$97,223.00, which was paid on April 1, 2024.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Employer contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2024, no employees were enrolled in the Defined Contribution Retirement Program and there were no forfeitures during the year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of December 31, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$3,397,220.00. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .0250015346%, which was a decrease of .0006077448% from its proportion measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was \$213,394.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PERS was \$342,275.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2024 measurement date, was \$10,953.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2024, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 4,611,137.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>909,076.00</u>
	<u>\$ 5,520,213.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .0446530100%, which was an increase of .0028950800% from its proportion measured as of June 30, 2023. Likewise, at June 30, 2024, the State of New Jersey's proportion, on-behalf of the Employer, was 0446530900%, which was an increase of .0028950700% from its proportion, on-behalf of the Employer, measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was \$262,810.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PFRS was \$555,882.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2024 measurement date, was \$104,852.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2024, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 68,053.00	\$ 290,498.00	\$ 358,551.00	\$ 9,044.00	\$ 157,860.00	\$ 166,904.00
Changes of Assumptions	4,220.00	7,289.00	11,509.00	38,653.00	135,422.00	174,075.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	157,520.00	36,091.00	193,611.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	229,852.00	448,814.00	678,666.00	187,350.00	491,432.00	678,782.00
Contributions Subsequent to the Measurement Date	170,101.00	308,829.00	478,930.00	-	-	-
	<u>\$ 472,226.00</u>	<u>\$ 1,055,430.00</u>	<u>\$ 1,527,656.00</u>	<u>\$ 392,567.00</u>	<u>\$ 820,805.00</u>	<u>\$ 1,213,372.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amounts of \$170,701.00 and \$308,829.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2025. These amounts were based on an estimated April 1, 2026 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2024 to the Employer's year end of December 31, 2024.

The Employer will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
June 30, 2024	5.08	-	6.09	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2020	5.00	-	5.00	-
June 30, 2021	-	5.00	-	5.00
June 30, 2022	5.00	-	5.00	-
June 30, 2023	-	5.00	-	5.00
June 30, 2024	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16
June 30, 2024	5.08	5.08	6.09	6.09

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2025	\$ (75,016.00)	\$ (230,016.00)	\$ (305,032.00)
2026	158,407.00	254,650.00	413,057.00
2027	(115,170.00)	(134,733.00)	(249,903.00)
2028	(58,175.00)	(43,846.00)	(102,021.00)
2029	(488.00)	72,607.00	72,119.00
Thereafter	-	7,134.00	7,134.00
	<u>\$ (90,442.00)</u>	<u>\$ (74,204.00)</u>	<u>\$ (164,646.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Police and Firemen's Retirement System

Employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2024 are summarized in the table that follows:

<u>PERS</u>			<u>PFRS</u>		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%	U.S. Large-Cap Equity	24.00%	6.90%
Non-US Developed Markets Equity	12.75%	8.85%	U.S. Small/Mid Cap Equity	4.00%	7.40%
International Small Cap Equity	1.25%	8.85%	Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Emerging Market Equity	5.50%	10.66%	Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Private Equity	13.00%	12.40%	Emerging Markets Large-Cap Equity	6.00%	9.60%
Real Estate	8.00%	10.95%	Emerging Markets Small-Cap Equity	1.50%	9.60%
Real Assets	3.00%	8.20%	U.S. Treasury Bond	7.00%	4.10%
High Yield	4.50%	6.74%	U.S. Corporate Bond	5.00%	5.90%
Private Credit	8.00%	8.90%	U.S. Mortgage-Backed Securities	5.00%	4.40%
Investment Grade Credit	7.00%	5.37%	Global Multisector Fixed Income	6.00%	6.50%
Cash Equivalents	2.00%	3.57%	Cash	2.00%	3.40%
U.S. Treasuries	4.00%	3.57%	Real Estate Core	3.00%	5.10%
Risk Mitigation Strategies	3.00%	7.10%	Real Estate Non-Core	4.00%	6.50%
			Infrastructure	3.00%	7.00%
			Private Debt/Credit	8.00%	9.10%
			Private Equity	10.00%	10.10%
	<u>100.00%</u>			<u>100.00%</u>	

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Discount Rate - For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2024 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 4,514,070.00</u>	<u>\$ 3,397,220.00</u>	<u>\$ 2,446,787.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2024 measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 6,588,290.00	\$ 4,611,137.00	\$ 2,964,603.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>1,298,867.00</u>	<u>909,076.00</u>	<u>584,465.00</u>
	<u>\$ 7,887,157.00</u>	<u>\$ 5,520,213.00</u>	<u>\$ 3,549,068.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years.

Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Ten Plan Years)

	Measurement Date Ended June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the Net Pension Liability	0.0250015346%	0.0256092794%	0.0267298306%	0.0241001699%	0.0236502677%
Proportionate Share of the Net Pension Liability	\$ 3,397,220.00	\$ 3,709,344.00	\$ 4,033,899.00	\$ 2,855,026.00	\$ 3,856,740.00
Covered Payroll (Plan Measurement Period)	\$ 1,959,684.00	\$ 1,944,116.00	\$ 1,945,960.00	\$ 1,739,488.00	\$ 1,686,864.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	173.36%	190.80%	207.30%	164.13%	228.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%
	Measurement Date Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.0228220170%	0.0217382143%	0.0200228153%	0.0187786675%	0.0199227246%
Proportionate Share of the Net Pension Liability	\$ 4,112,181.00	\$ 4,280,146.00	\$ 4,660,991.00	\$ 5,561,703.00	\$ 4,472,252.00
Covered Payroll (Plan Measurement Period)	\$ 1,621,784.00	\$ 1,526,576.00	\$ 1,388,676.00	\$ 1,335,104.00	\$ 1,357,360.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	253.56%	280.38%	335.64%	416.57%	329.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	Year Ended December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 340,201.00	\$ 342,275.00	\$ 337,076.00	\$ 282,241.00	\$ 258,722.00
Contribution in Relation to the Contractually Required Contribution	<u>(340,201.00)</u>	<u>(342,275.00)</u>	<u>(337,076.00)</u>	<u>(282,241.00)</u>	<u>(258,722.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,137,084.00	\$ 1,994,441.00	\$ 1,966,030.00	\$ 1,923,533.00	\$ 1,823,841.00
Contributions as a Percentage of Covered Payroll	15.92%	17.16%	17.15%	14.67%	14.19%
	Year Ended December 31,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 221,991.00	\$ 216,225.00	\$ 185,490.00	\$ 166,827.00	\$ 171,282.00
Contribution in Relation to the Contractually Required Contribution	<u>(221,991.00)</u>	<u>(216,225.00)</u>	<u>(185,490.00)</u>	<u>(166,827.00)</u>	<u>(171,282.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 1,693,092.00	\$ 1,645,678.00	\$ 1,538,146.00	\$ 1,425,092.00	\$ 1,363,427.00
Contributions as a Percentage of Covered Payroll	13.11%	13.14%	12.06%	11.71%	12.56%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)***

	Measurement Date Ended June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the Net Pension Liability	0.0446530100%	0.0417579300%	0.0442040300%	0.0483859517%	0.0451542392%
Proportionate Share of the Net Pension Liability	\$ 4,611,137.00	\$ 4,613,743.00	\$ 5,059,751.00	\$ 3,536,603.00	\$ 5,834,523.00
State's Proportionate Share of the Net Pension Liability	909,076.00	850,136.00	900,487.00	994,669.00	905,491.00
Total	<u>\$ 5,520,213.00</u>	<u>\$ 5,463,879.00</u>	<u>\$ 5,960,238.00</u>	<u>\$ 4,531,272.00</u>	<u>\$ 6,740,014.00</u>
Covered Payroll (Plan Measurement Period)	\$ 1,669,260.00	\$ 1,452,268.00	\$ 1,523,788.00	\$ 1,696,176.00	\$ 1,558,040.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	276.24%	317.69%	332.05%	208.50%	374.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.66%	70.16%	68.33%	77.26%	63.52%
	Measurement Date Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.0453172159%	0.0438621357%	0.0420246602%	0.0450830001%	0.0410650985%
Proportionate Share of the Net Pension Liability	\$ 5,545,839.00	\$ 5,935,270.00	\$ 6,487,795.00	\$ 8,612,006.00	\$ 6,840,014.00
State's Proportionate Share of the Net Pension Liability	875,698.00	806,208.00	726,688.00	723,195.00	599,846.00
Total	<u>\$ 6,421,537.00</u>	<u>\$ 6,741,478.00</u>	<u>\$ 7,214,483.00</u>	<u>\$ 9,335,201.00</u>	<u>\$ 7,439,860.00</u>
Covered Payroll (Plan Measurement Period)	\$ 1,519,784.00	\$ 1,455,148.00	\$ 1,310,476.00	\$ 1,423,744.00	\$ 1,423,768.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	364.91%	407.88%	495.07%	604.88%	480.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%	56.31%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 617,658.00	\$ 555,882.00	\$ 574,897.00	\$ 563,921.00	\$ 504,450.00
Contribution in Relation to the Contractually Required Contribution	<u>(617,658.00)</u>	<u>(555,882.00)</u>	<u>(574,897.00)</u>	<u>(563,921.00)</u>	<u>(504,450.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 1,790,673.00	\$ 1,671,924.60	\$ 1,561,836.00	\$ 1,569,560.00	\$ 1,679,155.00
Contributions as a Percentage of Covered Payroll	34.49%	33.25%	36.81%	35.93%	30.04%
	<u>Year Ended December 31,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 457,754.00	\$ 428,817.00	\$ 371,926.00	\$ 367,580.00	\$ 333,798.00
Contribution in Relation to the Contractually Required Contribution	<u>(457,754.00)</u>	<u>(428,817.00)</u>	<u>(371,926.00)</u>	<u>(367,580.00)</u>	<u>(333,798.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 1,585,914.00	\$ 1,510,866.00	\$ 1,434,750.00	\$ 1,348,665.00	\$ 1,363,018.00
Contributions as a Percentage of Covered Payroll	28.86%	28.38%	25.92%	27.26%	24.49%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

Chapter 249, P.L. 2023 extends provisions of Chapter 498, P.L. 2021 for calendar years 2023 or 2024 to allow for a temporary return to employment by a former employee of the Legislature after retirement from PERS.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2019	6.28%	2024	7.00%	2019	7.00%
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%

Police and Firemen's Retirement System (PFRS)**Changes in Benefit Terms**

None.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2019	6.85%	2024	7.00%	2019	7.00%
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%

Note 10: ON-BEHALF PAYMENTS FOR PENSION COSTS

Certain Audubon Free Public Library employees are members of the Public Employees' Retirement System (PERS), which is administered by the New Jersey Division of Pensions and Benefits. The Library participates in PERS as part of the Borough of Audubon. The Borough does not require the Library to pay any portion of required employer contributions.

Payments made by the Borough of Audubon, on-behalf of the Library, for the Library's share of employer contributions during the year ended December 31, 2024 totaled \$6,793.58.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The information for the measurement period ended June 30, 2024 was not available; therefore, the information from the measurement period June 30, 2023 is disclosed below

General Information about the State Health Benefit Local Government Retired Employees Plan

Plan Description and Benefits Provided - The Borough contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>. As a local participating employer of the Plan, the Borough is referred to as "Employer" throughout this note.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Plan Description and Benefits Provided (Cont'd) - Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Employer was billed monthly by the Plan and paid \$689,319.17, for the year ended December 31, 2023, representing 18.80% of the Employer's covered payroll. Retirees were not required to contribute to the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2023, the Employer's proportionate share of the net OPEB liability was \$13,160,285.00.

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The Employer's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. For the June 30, 2023 measurement date, the Employer's proportion was .087697%, which was an increase of .011465% from its proportion measured as of the June 30, 2022 measurement date.

OPEB (Benefit) Expense - At December 31, 2023, the Employer's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date, is (\$269,986.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer made contributions to the Plan totaling \$689,319.17.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2023, the Employer had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 606,884.00	\$ 3,573,903.00
Changes of Assumptions	1,704,751.00	3,719,991.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	2,171.00
Changes in Proportion	3,147,823.00	1,207,244.00
Contributions Subsequent to the Measurement Date	348,882.96	-
	<u>\$ 5,808,340.96</u>	<u>\$ 8,503,309.00</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$348,882.96 will be included as a reduction of the Employer's net OPEB liability during the year ending December 31, 2024. The Employer will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
June 30, 2023	-	7.89	June 30, 2023	5.00	-
Changes of Assumptions			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82
June 30, 2023	7.89	-	June 30, 2023	7.89	7.89

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<u>Year Ending Dec. 31,</u>	
2024	\$ (1,340,733.00)
2025	(917,409.00)
2026	(396,716.00)
2027	104,007.00
2028	(359,781.00)
Thereafter	(133,219.00)
	<u>\$ (3,043,851.00)</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *

PERS - Rates for all future years	2.75% to 6.55% based on years of service
PFRS - Rates for all future years	3.25% to 16.25% based on years of service

Mortality:

PERS - Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS - Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* salary increases are based on years of service within the respective Plan

Actuarial assumptions used in the valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pays interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

Health Care Trend Assumptions - The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2024	6.50%	-5.63%	-6.04%	14.00%	9.50%	14.28%
2025	6.25%	8.22%	8.33%	10.00%	8.75%	11.21%
2026	6.00%	16.85%	17.28%	7.50%	7.50%	7.50%
2027	5.75%	14.31%	14.65%	6.75%	6.75%	6.75%
2028	5.50%	12.43%	12.71%	6.00%	6.00%	6.00%
2029	5.25%	11.02%	11.24%	5.25%	5.25%	5.25%
2030	5.00%	9.91%	10.09%	4.50%	4.50%	4.50%
2031	4.75%	8.98%	9.14%	4.50%	4.50%	4.50%
2032	4.50%	6.46%	6.53%	4.50%	4.50%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability, calculated using a discount rate of 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Proportionate Share of the Net OPEB Liability	<u>\$ 15,243,805.00</u>	<u>\$ 13,160,285.00</u>	<u>\$ 11,484,415.00</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Proportionate Share of the Net OPEB Liability	<u>\$ 11,184,694.00</u>	<u>\$ 13,160,285.00</u>	<u>\$ 15,689,646.00</u>

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Proportionate Share of the Net OPEB Liability (Last Seven Plan Years)

	Measurement Date Ended June 30,			
	<u>2023</u>	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.087697%	0.076232%	0.079074%	0.077735%
Proportionate Share of the Net OPEB Liability	\$ 13,160,285.00	\$ 12,311,160.00	\$ 14,233,147.00	\$ 13,950,800.00
Covered Payroll (Plan Measurement Period)	\$ 3,602,972.00	\$ 3,487,934.00	\$ 3,538,364.00	\$ 3,356,769.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	365.26%	352.96%	402.25%	415.60%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.79%	-0.36%	0.28%	0.91%
	Measurement Date Ended June 30,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Proportion of the Net OPEB Liability	0.071536%	0.078213%	0.076251%	
Proportionate Share of the Net OPEB Liability	\$ 9,690,317.00	\$ 12,253,332.00	\$ 15,567,243.00	
Covered Payroll (Plan Measurement Period)	\$ 3,232,484.00	\$ 3,037,797.00	\$ 2,880,446.00	
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	299.78%	403.36%	540.45%	
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%	

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)*****Schedule of Contributions (Last Seven Years)***

	Year Ended December 31,			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Required Contributions	\$ 689,319.17	\$ 630,760.69	\$ 472,510.02	\$ 423,335.98
Actual Contributions in Relation to the Required Contribution	(689,319.17)	(630,760.69)	(472,510.02)	(423,335.98)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 3,666,595.00	\$ 3,527,866.00	\$ 3,493,093.00	\$ 3,502,996.00
Contributions as a Percentage of Covered Payroll	18.80%	17.88%	13.53%	12.08%
	Year Ended December 31,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Required Contributions	\$ 405,404.76	\$ 654,492.29	\$ 698,915.88	
Actual Contributions in Relation to the Required Contribution	(405,404.76)	(654,492.29)	(698,915.88)	
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	
Covered Payroll (Calendar Year)	\$ 3,279,006.00	\$ 3,156,544.00	\$ 2,972,896.00	
Contributions as a Percentage of Covered Payroll	12.36%	20.73%	23.51%	

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%
2020	2.21%		

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend update.

There were no changes to mortality projections.

Note 12: COMPENSATED ABSENCES

Audubon Police Officers, Public Works Department employees and Office employees are entitled to paid sick leave and vacation days in various amounts as outlined in the Borough's Agreements with the various employee unions. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward according to the guidelines established in the collective bargaining agreements. Benefits paid in any future years are calculated in accordance with the formulas outlined in Borough's agreements.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2024, accrued benefits for compensated absences are valued at \$1,060,626.18.

Note 13: DEFERRED COMPENSATION SALARY ACCOUNT

The Borough offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 14: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2019 - On October 15, 2019, the Borough issued \$5,866,000.00 of general improvement bonds, with interest rates ranging between 2.00% and 2.25%. The bonds were issued for the purpose of funding various capital projects in the Borough. The final maturity of the bonds is November 1, 2032.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 450,000.00	\$ 84,053.76	\$ 534,053.76
2026	460,000.00	75,053.76	535,053.76
2027	470,000.00	65,853.76	535,853.76
2028	485,000.00	56,453.76	541,453.76
2029	495,000.00	46,147.50	541,147.50
2030-2032	<u>1,556,000.00</u>	<u>70,605.00</u>	<u>1,626,605.00</u>
	<u>\$ 3,916,000.00</u>	<u>\$ 398,167.54</u>	<u>\$ 4,314,167.54</u>

Note 14: CAPITAL DEBT (CONT'D)

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 6,484,750.00	\$ 6,919,750.00	\$ 4,776,000.00
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	<u>1,900,000.00</u>	<u></u>	<u>2,605,634.16</u>
Total Issued and Authorized but not Issued	<u>8,384,750.00</u>	<u>6,919,750.00</u>	<u>7,381,634.16</u>
<u>Deductions</u>			
Total Deductions	<u>2,700.54</u>	<u>2,700.54</u>	<u>2,700.54</u>
<u>Net Debt</u>	<u>\$ 8,382,049.46</u>	<u>\$ 6,917,049.46</u>	<u>\$ 7,378,933.62</u>

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .865%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 25,876,841.00	\$ 25,876,841.00	
General	<u>8,384,750.00</u>	<u>2,700.54</u>	<u>\$ 8,382,049.46</u>
	<u>\$ 34,261,591.00</u>	<u>\$ 25,879,541.54</u>	<u>\$ 8,382,049.46</u>

Net debt \$8,382,049.46 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$968,545,337.33 equals .865%.

Summary of Statutory Debt Condition - Annual Debt Statement

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 33,899,086.81
Less: Net Debt	<u>8,382,049.46</u>
Remaining Borrowing Power	<u>\$ 25,517,037.35</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

<u>Description</u>	<u>Balance December 31, 2024</u>	<u>2025 Budget Appropriation</u>
Grant Fund:		
Grant Expended without Appropriation	\$ 15,154.78	\$ 15,154.78

The appropriations in the 2025 Budget as adopted are not less than that required by the statutes.

Note 16: SCHOOL TAXES

Audubon Local School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2024</u>	<u>2023</u>
Balance of Tax	\$ 7,750,114.99	\$ 7,442,511.99
Deferred	<u>6,151,980.00</u>	<u>5,451,980.00</u>
	<u>\$ 1,598,134.99</u>	<u>\$ 1,990,531.99</u>

Note 17: FINANCED PURCHASE OBLIGATIONS

The Borough has entered into the following agreements which meet the requirements of financed purchases under the provisions of GASB Statement No. 87, *Leases*.

Capital Improvements and Equipment - As of December 31, 2024, the Borough is financing various capital improvements and equipment with a total cost of \$4,259,000.00. The yearly payments are variable in nature. The agreement is for a term of ten (10) years with a variable interest rate. The final maturity of the financed purchase is December 15, 2025.

The following is an analysis of the financed purchase obligation liability at December 31, 2024:

<u>Description</u>	
Capital Improvements and Equipment	<u>\$ 505,000.00</u>

Note 17: FINANCED PURCHASE OBLIGATIONS (CONT'D)

Capital Improvements and Equipment (Cont'd) - The following schedule represents the remaining future minimum payments under the financed purchase obligations, and the present value of the net minimum payments as of December 31, 2024:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 505,000.00</u>	<u>\$ 20,200.00</u>	<u>\$ 525,200.00</u>

Under the provisions of GASB 87, for the year ended December 31, 2024, the Borough would have reported assets in the amount of \$4,259,000.00 and a financed purchase obligation in the amount of \$505,000.00. In addition, for the year ended December 31, 2024, the Borough would have recognized a reduction of the financed purchase obligation of \$486,000.00 and interest expense of \$39,640.00.

As a result of the regulatory basis of accounting previously described in note 1, the above noted cost of the assets, along with the financed purchase obligation liability, have not been recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund, instead, the annual payment of the financed purchase obligation of \$525,640.00 were budgeted and paid from the current fund. In addition, the assets have been recorded in the general fixed asset group of accounts at historical cost at the inception of each finance purchase agreement.

Note 18: RISK MANAGEMENT

The Borough 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.

Joint Insurance Pool - The Borough of Audubon is a member of the Camden County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
 Liability other than Motor Vehicles
 Property Damage other than Motor Vehicles
 Motor Vehicles

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
 Excess General Liability
 Non-Owned Aircraft Liability
 Excess Auto Liability
 Fidelity and Performance (Blanket)
 Excess Property including Boiler and Machinery
 Crime including Excess Public Employee and Public Official Coverage

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund Provides the Borough with the following coverage:

Property - Blanket Building and Grounds
 General and Automobile Liability
 Worker's Compensation and Employer's Liability
 Boiler and Machinery
 Public Employee Dishonesty
 Environmental Liability
 Crime Coverage

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Borough's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2024, which can be obtained from:

Camden County Municipal Joint Insurance Fund
 9 Campus Drive, Suite 216
 Parsippany, New Jersey 07054

Note 19: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

Litigation - The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 20: CONCENTRATIONS

The Borough depends on financial resources flowing from, or associated with, both the Federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

Note 21: TAX ABATEMENTS

The Borough entered into a property tax abatement agreement with a local developer under Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A. 55:14K-1 et seq.). Under the Act, municipalities may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. Abatements may be granted to any business located within or promising to relocate to the Borough.

For the year ended December 31, 2024, the Borough abated property taxes, net of payment in lieu of taxes, totaling \$46,621.50 under this program for a senior citizen affordable housing development.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Current Cash
Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2024

	<u>Regular Fund</u>	<u>Grant Fund</u>
Balance Dec. 31, 2023	\$ 7,037,942.51	
Increased by Receipts:		
Received from Collector	\$ 29,455,637.38	
Revenue Accounts Receivable	1,735,234.54	
Due from State of New Jersey, Ch. 20, P.L. 1971	47,838.33	
Miscellaneous Revenue not Anticipated	383,478.57	
Energy Receipts Tax	839,708.06	
Cable TV Franchise Fees	216,498.46	
2024 Appropriation Refunds	293,152.15	
Appropriation Reserve Refunds	1,790.00	
Due State - DCA Training Fees	13,368.00	
Due State - Marriage Licenses	850.00	
Due Grant Fund	15,154.78	\$ 896,888.94
Due Trust Other Fund:		
Police Outside Employment	128,119.75	
CDBG	289,101.28	
Grants Receivable		108,074.68
Petty Cash Fund	100.00	
	<u>33,420,031.30</u>	<u>\$ 1,004,963.62</u>
	40,457,973.81	1,004,963.62
Decreased by Disbursements:		
2024 Appropriations	11,108,703.90	
2023 Appropriation Reserves	276,846.83	
County Taxes Payable	6,106,941.85	
Due County for Added and Omitted Taxes	13,665.39	
Local School Taxes Payable	15,027,609.00	
Tax Overpayments	1,236.47	
Due State - DCA Training Fees	12,941.00	
Due State - Marriage Licenses	1,025.00	
Grants Appropriated		989,808.84
Grant Expended without Appropriation		15,154.78
Due Trust Other Fund:		
Police Outside Employment	64,392.17	
CDBG	225,101.14	
Due Library	77,601.21	
Due CCMUA	35,895.69	
Due Grant Fund	896,888.94	
Petty Cash Fund	100.00	
	<u>33,848,948.59</u>	<u>1,004,963.62</u>
Balance Dec. 31, 2024	<u>\$ 6,609,025.22</u>	<u>-</u>

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Current Cash
Per N.J.S.40A:5-5--Collector
For the Year Ended December 31, 2024

Increased by Receipts:

Taxes Receivable	\$ 28,571,299.86	
Tax Title Liens	21,911.22	
Prepaid Taxes	177,098.81	
Tax Overpayments	5,899.89	
Interest and Cost on Taxes	88,763.09	
Sewer Rents	509,190.55	
Sewer Overpayments	1.12	
Miscellaneous Revenue Not Anticipated:		
Audubon Towers PILOT	38,830.00	
Sewer Interest and Costs	5,260.56	
Special Property Maintenance Fee	478.35	
Due CCMUA	<u>36,903.93</u>	
		\$ 29,455,637.38

Decreased by Disbursements:

Payments to Chief Financial Officer	<u><u>\$ 29,455,637.38</u></u>
-------------------------------------	--------------------------------

CURRENT FUND
Schedule of Change Funds
As of December 31, 2024

<u>Office</u>	<u>Amount</u>
Tax Collector	\$ 50.00
Municipal Clerk	50.00
Municipal Court	<u>100.00</u>
	<u><u>\$ 200.00</u></u>

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Due from State of New Jersey - CH. 20, P.L. 1971
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 16,088.20
Increased by:	
2024 Senior Citizens' and Veterans' Deductions per Tax Billing	\$ 51,500.00
2024 Senior Citizens' and Veterans' Deductions Allowed by Collector	<u>500.00</u>
	52,000.00
Less:	
2024 Senior Citizens' and Veterans' Deductions Disallowed by Collector	661.67
Operations -- Prior Years Senior Citizens' and Veterans' Deductions Disallowed by Collector	<u>3,250.00</u>
	<u>48,088.33</u>
	64,176.53
Decreased by:	
Collections	<u>47,838.33</u>
Balance Dec. 31, 2024	<u><u>\$ 16,338.20</u></u>

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2024

				Collections		Due from State of New Jersey	Appeals and Cancellations	Overpayments Applied	Transferred to Tax Title Liens	Balance
Year	Balance Dec. 31, 2023	2024 Levy	Added Taxes	2023	2024					Dec. 31, 2024
2023	\$ 247,648.63		\$ 3,250.00		\$ 246,859.57		\$ 4,039.06			
2024		\$ 28,898,664.08		\$ 160,432.36	28,324,440.29	\$ 51,338.33	21,670.97	\$ 3,339.21	\$ 39,784.63	\$ 297,658.29
	<u>\$ 247,648.63</u>	<u>\$ 28,898,664.08</u>	<u>\$ 3,250.00</u>	<u>\$ 160,432.36</u>	<u>\$ 28,571,299.86</u>	<u>\$ 51,338.33</u>	<u>\$ 25,710.03</u>	<u>\$ 3,339.21</u>	<u>\$ 39,784.63</u>	<u>\$ 297,658.29</u>
<u>Analysis of 2024 Tax Levy</u>										
<u>Tax Yield</u>										
General Purpose Tax					\$ 28,813,153.85					
Added / Omitted Taxes					<u>85,510.23</u>					
						<u>\$ 28,898,664.08</u>				
<u>Tax Levy</u>										
Local District School Tax					\$ 15,335,212.00					
County Taxes:										
County Tax				\$ 5,910,225.52						
Open Space Tax				<u>196,716.33</u>						
				6,106,941.85						
County for Added and Omitted Taxes				<u>16,368.28</u>						
Total County Taxes					6,123,310.13					
Local Tax for Municipal Purposes				7,044,983.62						
Minimum Tax for Library Purposes				326,016.18						
Additional Tax Levied				<u>69,142.15</u>						
Local Tax for Municipal Purposes Levied					<u>7,440,141.95</u>					
						<u>\$ 28,898,664.08</u>				

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2024

Balance Dec. 31, 2023		\$ 258,719.40
Increased by:		
Transferred from Taxes Receivable	\$ 39,784.63	
Year End Penalty Added	<u>2,272.55</u>	
		<u>42,057.18</u>
		300,776.58
Decreased by:		
Receipts -- Collector		<u>21,911.22</u>
Balance Dec. 31, 2024		<u><u>\$ 278,865.36</u></u>

Exhibit SA-7

CURRENT FUND
Statement of Due to Library
For the Year Ended December 31, 2024

Balance Dec. 31, 2023		\$ 96,984.96
Decreased by:		
Disbursed		<u>77,601.21</u>
Balance Dec. 31, 2024		<u><u>\$ 19,383.75</u></u>

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Revenue Account Receivable
For the Year Ended December 31, 2024

	<u>Balance Dec. 31, 2023</u>	<u>Accrued in 2024</u>	<u>Collections</u>	<u>Due from Animal Control Fund</u>	<u>Due from Trust Other Fund</u>	<u>Balance Dec. 31, 2024</u>
Fees and Permits -- Other:						
Clerk - Other		\$ 15,491.00	\$ 15,491.00			
Uniform Construction Code Fees		108,327.00	108,327.00			
Uniform Fire Safety Act		24,548.40	24,548.40			
Municipal Court Fines and Costs	\$ 2,027.42	31,008.08	31,718.26			\$ 1,317.24
Interlocal Service Agreements:						
Borough of Oaklyn - Tax Assessor		11,675.00	11,675.00			
Borough of Haddon Heights -- Municipal Court		151,542.00	151,542.00			
Borough of Haddon Heights -- Public Works Department		1,018,656.20	1,018,656.20			
Borough of Stratford-- Municipal Court		194,333.34	194,333.34			
Borough of Gibbsboro-- Municipal Court		37,063.00	37,063.00			
Rental of Borough Property	2,937.07	54,585.45	54,497.34			3,025.18
Interest on Investments and Deposits		96,552.37	87,383.00	\$ 254.72	\$ 9,169.37	
	<u>\$ 4,964.49</u>	<u>\$ 1,743,781.84</u>	<u>\$ 1,735,234.54</u>	<u>\$ 254.72</u>	<u>\$ 9,169.37</u>	<u>\$ 4,342.42</u>

BOROUGH OF AUDUBON
CURRENT FUND
2023 Appropriation Reserves
For the Year Ended December 31, 2024

	Balance December 31, 2023		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT FUNCTIONS					
General Administration					
Salaries and Wages		\$ 747.50	\$ 747.50		\$ 747.50
Other Expenses	\$ 108.00	12,220.79	12,328.79	\$ 3,387.48	8,941.31
Mayor and Commissioners					
Salaries and Wages		81.88	81.88		81.88
Other Expenses		1,108.80	1,108.80		1,108.80
Municipal Clerk					
Salaries and Wages		15,903.22	15,903.22		15,903.22
Other Expenses		10,862.22	10,862.22	1,170.00	9,692.22
Computerized Data Processing					
Other Expenses	1,930.01	533.17	2,463.18	120.00	2,343.18
Financial Administration					
Salaries and Wages		1,767.29	1,767.29		1,767.29
Other Expenses	1,500.00	1,000.00	2,500.00	1,500.00	1,000.00
Audit Services					
Other Expenses		300.00	300.00		300.00
Collection of Taxes					
Salaries and Wages		2,460.10	2,460.10		2,460.10
Other Expenses		7,088.96	7,088.96	1,755.00	5,333.96
Assessment of Taxes					
Other Expenses		1,389.04	2,389.04	2,112.00	277.04
Legal Services and Costs					
Other Expenses		564.33	15,564.33	12,893.04	2,671.29
Engineering Services and Costs					
Other Expenses		13,285.15	13,285.15	988.75	12,296.40
Historical Society					
Other Expenses		260.00	260.00		260.00
Municipal Court					
Salaries and Wages		70,169.66	70,169.66		70,169.66
Other Expenses	720.41	6,069.17	6,789.58	4,056.35	2,733.23
Planning & Zoning Boards					
Salaries and Wages		3,454.94	3,454.94	980.00	2,474.94
Other Expenses		875.00	875.00		875.00
Zoning Code Enforcement					
Salaries and Wages		68.76	68.76		68.76
Other Expenses	39.75	1,209.31	1,249.06	39.75	1,209.31
Public Defender					
Salaries and Wages		258.37	1,258.37	1,000.00	258.37
Municipal Prosecutor					
Other Expenses			6,000.00	5,558.33	441.67
INSURANCE					
General Liability		1,749.00	1,749.00		1,749.00
Workers Compensation Insurance		7,500.00	7,500.00		7,500.00
Group Insurance for Employees		24,374.82	64,374.82	63,037.90	1,336.92
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages		217,959.93	217,959.93		217,959.93
Other Expenses	25,119.87	70,257.05	95,376.92	20,605.82	74,771.10
Aid to Volunteer Ambulance Association					
Other Expenses		11,250.00	11,250.00	11,250.00	
Fire					
Salaries and Wages		4,583.64	4,583.64		4,583.64
Other Expenses	4,858.08	18,420.69	23,278.77	12,736.01	10,542.76
PUBLIC WORKS FUNCTIONS					
Office of Emergency Management					
Salaries and Wages		425.04	425.04		425.04
Other Expenses	100.00	8,967.98	9,067.98	102.96	8,965.02
Streets and Roads					
Salaries and Wages		10,034.64	10,034.64		10,034.64
Other Expenses	1,066.52	10,251.15	12,317.67	6,111.66	6,206.01
Public Buildings and Grounds					
Other Expenses	878.03	8,257.48	9,135.51	5,895.81	3,239.70
Other Public Works Functions					
Salaries and Wages		83,953.24	13,953.24		13,953.24
Other Expenses	5,937.35	17,373.16	23,310.51	10,726.24	12,584.27
Vehicle Maintenance					
Other Expenses	2,966.00	2,095.00	20,061.00	14,927.97	5,133.03

(Continued)

BOROUGH OF AUDUBON
CURRENT FUND
2023 Appropriation Reserves
For the Year Ended December 31, 2024

	Balance December 31, 2023		Balance After Modification	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
PUBLIC WORKS FUNCTIONS (CONT'D)					
Solid Waste Collections					
Salaries and Wages		\$ 37,638.17	\$ 18,638.17		\$ 18,638.17
Other Expenses		13,662.00	13,662.00		13,662.00
PARK AND RECREATION FUNCTIONS					
Parks and Playgrounds		4,268.90	4,268.90		4,268.90
Celebration of Public Event, Anniversary or Holiday					
Other Expenses		2,592.50	2,592.50		2,592.50
<u>State Uniform Construction Code Appropriations</u>					
<u>Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Construction Official					
Salaries and Wages		349.92	349.92		349.92
Other Expenses		2,851.52	2,851.52	\$ 39.71	2,811.81
Fire Protection Official					
Other Expenses		1,000.00	1,000.00		1,000.00
Building Inspector					
Salaries and Wages		117.81	117.81		117.81
<u>Unclassified</u>					
Utilities:					
Electricity		11,130.88	11,130.88	6,001.88	5,129.00
Gasoline	\$ 9,720.97	35,010.85	44,731.82	9,373.49	35,358.33
Street Lighting		6,962.85	7,462.85	7,342.99	119.86
Telephone		13,616.81	13,616.81	1,913.19	11,703.62
Water Utilities	602.53	178.47	1,281.00	420.01	860.99
Fuel Oil		12,535.67	12,535.67	4,430.14	8,105.53
Sewerage Processing and Disposal					
Salaries and Wages		999.96	999.96		999.96
Other Expenses		84.84	1,584.84	1,472.94	111.90
Fire Hydrant Services		3,682.14	10,682.14	9,856.56	825.58
Postage		799.09	799.09	545.16	253.93
Solid Waste Disposal Fees					
Other Expenses		123,353.84	123,353.84	41,039.92	82,313.92
<u>DEFERRED CHARGES</u>					
<u>AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Social Security System (O.A.S.I.)		42,232.93	42,232.93		42,232.93
Public Employees Retirement System		80.84	80.84		80.84
Police and Firemen's Retirement System		88.82	88.82		88.82
Unemployment Insurance		435.80	435.80		435.80
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Interlocal Service Agreement:					
Township of Pennsauken - Animal Shelter	850.00	1,445.87	2,795.87	988.20	1,807.67
Solid Waste Collection -- Audubon Park		3,000.00	3,000.00		3,000.00
Borough of Haddon Heights:					
Municipal Court		9,773.03	9,773.03		9,773.03
Borough of Haddon Heights:					
Public Works Manager					
Salaries and Wages		328.79	328.79		328.79
Other Expenses	1,277.22	53,497.71	54,774.93	10,677.57	44,097.36
Municipal Court -- Borough of Stratford					
Salaries and Wages		1,774.70	1,774.70		1,774.70
	<u>\$ 57,674.74</u>	<u>\$ 1,032,625.19</u>	<u>\$ 1,090,299.93</u>	<u>\$ 275,056.83</u>	<u>\$ 815,243.10</u>
Disbursed				\$ 276,846.83	
Reimbursed				(1,790.00)	
				<u>\$ 275,056.83</u>	

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2024

Balance Dec. 31, 2023 (2024 Taxes)	\$ 160,432.36
Increased by:	
Receipts - Collector (2025 Taxes)	<u>177,098.81</u>
	337,531.17
Decreased by:	
Application to 2024 Taxes Receivable	<u>160,432.36</u>
Balance Dec. 31, 2024 (2025 Taxes)	<u><u>\$ 177,098.81</u></u>

Exhibit SA-11

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 32,663.36
Increased by:	
Receipts -- Collector	<u>5,899.89</u>
	38,563.25
Decreased by:	
Canceled Tax Overpayments	\$ 9,277.80
Applied to Taxes	3,339.21
Refunds -- Treasurer	<u>1,236.47</u>
	<u>13,853.48</u>
Balance Dec. 31, 2024	<u><u>\$ 24,709.77</u></u>

Exhibit SA-12

CURRENT FUND
Statement of Sewer Rent Overpayments
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 5,043.74
Increased by:	
Receipts -- Collector	<u>1.12</u>
Balance Dec. 31, 2024	<u><u>\$ 5,044.86</u></u>

BOROUGH OF AUDUBON
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2024

2024 Levy:		
County General	\$ 5,910,225.52	
County Open Space	<u>196,716.33</u>	
		\$ 6,106,941.85
Decreased by:		
Payments		<u><u>\$ 6,106,941.85</u></u>

CURRENT FUND
Statement of Sewer Rents Receivable
For the Year Ended December 31, 2024

Balance Dec. 31, 2023		\$ 56,035.48
Increased by:		
Levy		<u>512,178.00</u>
		568,213.48
Decreased by:		
Receipts -- Collector	\$ 509,190.55	
Canceled	<u>994.09</u>	
		<u>510,184.64</u>
Balance Dec. 31, 2024		<u><u>\$ 58,028.84</u></u>

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 13,665.39
Increased by:	
County Share of Added / Omitted Taxes	<u>16,368.28</u>
	30,033.67
Decreased by:	
Payments	<u>13,665.39</u>
Balance Dec. 31, 2024	<u><u>\$ 16,368.28</u></u>

Exhibit SA-16

CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2024

Balance Dec. 31, 2023:		
School Tax Payable	\$ 1,990,531.99	
School Tax Deferred	<u>5,451,980.00</u>	
		\$ 7,442,511.99
Increased by:		
Levy--School Year July 1, 2024 to June 30, 2025		<u>15,335,212.00</u>
		22,777,723.99
Decreased by:		
Payments		<u>15,027,609.00</u>
Balance Dec. 31, 2024:		
School Tax Payable	1,598,134.99	
School Tax Deferred	<u>6,151,980.00</u>	
		<u><u>\$ 7,750,114.99</u></u>
2024 Liability for Local School District Tax		
Tax Paid		\$ 15,027,609.00
Tax Payable Dec. 31, 2024		<u>1,598,134.99</u>
		16,625,743.99
Less: Tax Payable Dec. 31, 2023		<u>1,990,531.99</u>
Amount charged to 2024 Operations		<u><u>\$ 14,635,212.00</u></u>

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Due to State of New Jersey -- State Training Fees
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 2,651.00
Increased by:	
Receipts	<u>13,368.00</u>
	16,019.00
Decreased by:	
Disbursements	<u>12,941.00</u>
Balance Dec. 31, 2024	<u><u>\$ 3,078.00</u></u>

CURRENT FUND
Statement of Due to State of New Jersey
Division of Youth: Family Services -- Marriage and Civil Union Licenses and Burial Permits
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 600.00
Increased by:	
Receipts	<u>850.00</u>
	1,450.00
Decreased by:	
Disbursements	<u>1,025.00</u>
Balance Dec. 31, 2024	<u><u>\$ 425.00</u></u>

BOROUGH OF AUDUBON
CURRENT FUND
Statement of Due from CCMUA
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 1,008.24
Increased by:	
Disbursements -- Treasurer	<u>35,895.69</u>
	36,903.93
Decreased by:	
Receipts -- Collector	<u>\$ 36,903.93</u>

CURRENT FUND
Statement of Reserve for Audubon Towers PILOT
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 212,784.00
Decreased by:	
Anticipated Revenue	<u>200,000.00</u>
Balance Dec. 31, 2024	<u>\$ 12,784.00</u>

BOROUGH OF AUDUBON
GRANT FUND
Statement of Grants Receivable
For the Year Ended December 31, 2024

<u>Program</u>	<u>Balance Dec. 31, 2023</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2024</u>
Federal Grants:				
Firefighter Turnout Fear	-	\$ 74,000.00	-	\$ 74,000.00
State Grants:				
Clean Communities Program		22,329.61	\$ 22,329.61	
Safe & Secure Communities	\$ 13,219.00	8,208.00	8,208.00	13,219.00
Body Armor Fund		1,641.07	1,641.07	
Recycling Tonnage		4,167.61	4,167.61	
Recreation Facilities Enhancement Program		15,000.00		15,000.00
Sustainable Jersey Small Grant - NJ Corp		7,500.00		7,500.00
NJDOT W. Graisbury Phase II	91.58			91.58
NJDOT W. Graisbury Phase III	17,566.60			17,566.60
Total State Grants	30,877.18	58,846.29	36,346.29	53,377.18
Local Grants:				
Camden County Recreation Grant -- 2011	3,885.00			3,885.00
Camden County Recreation Grant -- Round 15	1,995.62			1,995.62
Camden County Recreation Grant -- Round 17	25,000.00			25,000.00
Camden County Recreation Grant -- Round 19	25,000.00			25,000.00
Camden County Recreation Grant -- Round 21	25,000.00			25,000.00
Camden County Recreation Grant -- Round 22	25,000.00		25,000.00	
Camden County Recreation Grant -- Round 18	25,000.00		25,000.00	
Camden County Recreation Grant -- Round 20	25,000.00		25,000.00	
Robert Wood Johnson Foundation Grant	2,000.00		896.00	1,104.00
Total Local Grants	157,880.62	-	75,896.00	81,984.62
Total All Grants	\$ 188,757.80	\$ 132,846.29	\$ 112,242.29	\$ 209,361.80
Collected:				
Grant Fund			\$ 108,074.68	
Trust Other Fund			4,167.61	
			\$ 112,242.29	

BOROUGH OF AUDUBON
GRANT FUND
Statement of Reserve For Grants Unappropriated
For the Year Ended December 31, 2024

<u>Program</u>	<u>Balance Dec. 31, 2023</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2024 Budget</u>	<u>Balance Dec. 31, 2024</u>
Federal Grants:				
Firefighter Turnout Gear	-	\$ 74,000.00	\$ 74,000.00	-
State Grants:				
Clean Communities Program	\$ 19,659.31	22,329.61	19,659.31	\$ 22,329.61
Safe & Secure Communities	608.00	8,208.00	8,208.00	608.00
Body Armor Fund	1,587.80	1,641.07	1,587.80	1,641.07
Recycling Tonnage	8,462.40	4,167.61	8,462.40	4,167.61
NJ Stormwater Management	15,000.00		15,000.00	
Recreation Facilities Enhancement Program		15,000.00	15,000.00	
Sustainable Jersey Small Grant - NJ Corp	5,000.00	7,500.00	7,500.00	5,000.00
Total State Grants	50,317.51	58,846.29	75,417.51	33,746.29
Total All Grants	\$ 50,317.51	\$ 132,846.29	\$ 149,417.51	\$ 33,746.29

BOROUGH OF AUDUBON
GRANT FUND
Statement of Reserve For Grants Appropriated
For the Year Ended December 31, 2024

<u>Program</u>	<u>Balance Dec. 31, 2023</u>	<u>Transferred from 2024 Budget Appropriation</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2024</u>
Federal Grants:				
Firefighter Turnout Gear		\$ 74,000.00		\$ 74,000.00
Federal ARP Funding	<u>\$ 901,522.31</u>		<u>\$ 901,522.31</u>	
Total Federal Grants	<u>901,522.31</u>	<u>74,000.00</u>	<u>901,522.31</u>	<u>74,000.00</u>
State Grants:				
Alcohol Education Rehabilitation Grant	10,460.60			10,460.60
Body Armor Fund	5,753.09	1,587.80	4,585.52	2,755.37
Clean Communities Grant	35,727.39	19,659.31	21,037.50	34,349.20
Drunk Driving Enforcement Grant	10,623.44			10,623.44
Municipal Alliance on Alcoholism and Drug Abuse	14,862.40		14,862.40	
Safe and Secure Communities		8,208.00	8,208.00	
Safe and Secure Communities - Match	5,025.53	36,792.00	36,597.28	5,220.25
Recycling Tonnage Grant	23,567.42	8,462.40		32,029.82
Sustainable Jersey Small Grant	478.36	7,500.00	4,283.59	3,694.77
Delaware Valley Regional Planning Commission	12,764.08		190.00	12,574.08
Community Energy Plan Grant	6,660.00		6,660.00	
Stormwater Management		15,000.00		15,000.00
N.J. Transportation Trust Fund:				
Prior Years	2,106.41			2,106.41
2002 - Maple Avenue	575.58			575.58
2014 - W. Graisbury Phase II	98.18			98.18
2015 - W. Graisbury Phase III	<u>20,461.00</u>			<u>20,461.00</u>
Total State Grants	<u>149,163.48</u>	<u>97,209.51</u>	<u>96,424.29</u>	<u>149,948.70</u>
Local Grants:				
Camden County -- Recreation Grant -- 2011	3,885.00			3,885.00
Recreation Facilities Enhancement Program		15,000.00	6,750.00	8,250.00
County Historical Grant	500.00			500.00
Robert Wood Johnson Foundation Grant	<u>1,104.19</u>		<u>959.64</u>	<u>144.55</u>
Total Local Grants	<u>5,489.19</u>	<u>15,000.00</u>	<u>7,709.64</u>	<u>12,779.55</u>
Total All Grants	<u>\$ 1,056,174.98</u>	<u>\$ 186,209.51</u>	<u>\$ 1,005,656.24</u>	<u>\$ 236,728.25</u>
Disbursed			\$ 989,808.84	
Reserve for Encumbrances			<u>15,847.40</u>	
			<u>\$ 1,005,656.24</u>	

BOROUGH OF AUDUBON
GRANT FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 926,483.06
Increased by:	
Matching Grant Appropriation	<u>36,792.00</u>
	963,275.06
Decreased by:	
Receipts	<u>896,888.94</u>
Balance Dec. 31, 2024	<u><u>\$ 66,386.12</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF AUDUBON
TRUST FUNDS
Statement of Trust Cash
Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2024

	<u>Animal Control Fund</u>	<u>Other Funds</u>
Balance Dec. 31, 2023	\$ 19,533.31	\$ 467,620.11
Increased by Receipts:		
Reserve for Animal Control Fund Expenditures	\$ 2,313.00	
Due State of New Jersey	154.70	
Due Regular Fund	254.72	\$ 148,225.52
Due Grant Fund		4,167.61
Reserve for Police Off Duty Services		464,756.51
Reserve for Recycling		3,397.50
Reserve for Public Defender		3,430.50
Reserve for Unemployment Compensation		59.74
Reserve for Forfeited Property		419.45
Reserve for Parking Offenses Adjudication Act		10.00
Reserve for Developer Escrow Deposits		28,915.00
Reserve for Payroll Deductions Payable		2,303,159.39
Reserve for Net Payroll		3,481,017.71
Reserve for Flex Spending		510.00
	<u>2,722.42</u>	<u>6,438,068.93</u>
	22,255.73	6,905,689.04
Decreased by Disbursements:		
Due State of New Jersey	154.70	
Due Regular Fund		129,496.47
Reserve for Recycling		46,749.80
Reserve for Police Off Duty Services		438,366.37
Reserve for Developer Escrow Deposits		60,815.25
Reserve for Payroll Deductions Payable		2,324,366.92
Reserve for Net Payroll		3,481,017.71
Reserve for Flex Spending		817.59
	<u>154.70</u>	<u>6,481,630.11</u>
Balance Dec. 31, 2024	<u>\$ 22,101.03</u>	<u>\$ 424,058.93</u>

BOROUGH OF AUDUBON
TRUST FUNDS
Statement of Trust Cash
Per N.J.S.40A:5-5--Collector
For the Year Ended December 31, 2024

	<u>Other Funds</u>
Balance Dec. 31, 2023	\$ 548,450.08
Increased by Receipts:	
Due Regular Fund	\$ 4,806.85
Reserve for Tax Title Lien Redemptions	415,345.98
Reserve for Tax Title Lien Premiums	<u>69,400.00</u>
	<u>489,552.83</u>
	1,038,002.91
Decreased by Disbursements:	
Reserve for Tax Title Lien Redemptions	411,920.29
Reserve for Tax Title Lien Premiums	<u>361,500.00</u>
	<u>773,420.29</u>
Balance Dec. 31, 2024	<u><u>\$ 264,582.62</u></u>

Exhibit SB-3

ANIMAL CONTROL TRUST FUND
Statement of Reserve For Animal Control Fund Expenditures
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 4,994.00
Increased by:	
Dog License Fees	<u>2,313.00</u>
	7,307.00
Decreased by:	
Expenditures Under R.S.4:19-15.11	
Statutory Excess Due to Regular Fund	<u>2,239.20</u>
Balance Dec. 31, 2024	<u><u>\$ 5,067.80</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2022	\$ 2,501.60
2023	<u>2,566.20</u>
	<u><u>\$ 5,067.80</u></u>

BOROUGH OF AUDUBON
TRUST OTHER FUNDS
Statement of Due From Camden County
Community Development Block Grant Program
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 295,523.85
Increased by:	
Entitlement	<u>100,000.00</u>
	395,523.85
Decreased by:	
Collected in Regular Fund	<u>289,101.28</u>
Balance Dec. 31, 2024	<u><u>\$ 106,422.57</u></u>

Exhibit SB-5

ANIMAL CONTROL TRUST FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 14,539.31
Increased by:	
Receipts - Interest Earned - Regular Budget Revenue	\$ 254.72
Statutory Excess Due to Regular Fund	<u>2,239.20</u>
	<u>2,493.92</u>
Balance Dec. 31, 2024	<u><u>\$ 17,033.23</u></u>

Exhibit SB-6

ANIMAL CONTROL TRUST FUND
Statement of Due to State of New Jersey
For the Year Ended December 31, 2024

Increased by:	
Animal Control Fees Collected	\$ 154.70
Decreased by:	
Disbursements	<u><u>\$ 154.70</u></u>

BOROUGH OF AUDUBON
TRUST -- OTHER FUND
Statement of Trust Other Reserves
For the Year Ended December 31, 2024

<u>Reserve</u>	<u>Balance Dec. 31, 2023</u>	<u>Increased</u>		<u>Prior year Encumbrances Reclassified</u>	<u>Decreased</u>		<u>Balance Dec. 31, 2024</u>
		<u>Receipts</u>	<u>Accounts Receivable</u>		<u>Disbursements</u>	<u>Due Regular Fund</u>	
Reserve for Recycling	\$ 102,603.26	\$ 3,397.50			\$ 46,749.80		\$ 59,250.96
Reserve for Public Defender	8,408.86	3,430.50					11,839.36
Reserve for Unemployment Compensation	2,946.43	59.74					3,006.17
Reserve for Forfeited Property	2,926.00	419.45					3,345.45
Reserve for Police Off Duty Services	7,857.34	464,756.51	\$ 30,144.69		438,366.37	\$ 64,392.17	
Reserve for Parking Offenses Adjudication Act	2,723.57	10.00					2,733.57
Reserve for Developer Escrow Deposits	61,845.37	28,915.00			60,815.25		29,945.12
Reserve for Special Improvement District	687.60						687.60
Reserve for Payroll Deductions Payable	101,442.02	2,303,159.39			2,324,366.92		80,234.49
Reserve for Net Payroll		3,481,017.71			3,481,017.71		
Reserve for Tax Title Lien Premiums	471,300.00	69,400.00			361,500.00		179,200.00
Reserve for Tax Title Lien Redemptions	20,583.63	415,345.98			411,920.29		24,009.32
Reserve for East Atlantic Pavers	2,573.95						2,573.95
Reserve for Flex Spending	3,242.91	510.00			817.59		2,935.32
Reserve for Community Development Block Grant	64,191.19		\$ 100,000.00	\$ 181,322.46		225,101.14	120,412.51
Reserve for Encumbrances	181,322.46			(181,322.46)			
	<u>\$ 1,034,654.59</u>	<u>\$ 6,770,421.78</u>	<u>\$ 130,144.69</u>	<u>-</u>	<u>\$ 7,125,553.93</u>	<u>\$ 289,493.31</u>	<u>\$ 520,173.82</u>
Chief Financial Officer		\$ 6,285,675.80			\$ 5,913,767.27		
Collector		484,745.98			773,420.29		
		<u>\$ 6,770,421.78</u>			<u>\$ 7,125,553.93</u>		

BOROUGH OF AUDUBON
TRUST OTHER FUNDS
Statement of Due To Current Fund
For the Year Ended December 31, 2024

Balance Dec. 31, 2023			\$	304,871.50
Increased by:				
Chief Financial Officer Receipts:				
Interest Earned -- Regular Budget Revenue	\$	5,484.52		
Police Off Duty Services Administrative and				
Admin Fees -- Miscellaneous Revenue Not Anticipated		81,866.00		
Vehicle Fees -- Miscellaneous Revenue Not Anticipated		<u>60,875.00</u>		
			\$	148,225.52
Collector Receipts:				
Interest Earned -- Regular Budget Revenue				4,806.85
Disbursed by the Regular Fund:				
Police Off Duty Employment		64,392.17		
Unemployment				
Community Development Block Grant		<u>225,101.14</u>		
				<u>289,493.31</u>
				<u>442,525.68</u>
				747,397.18
Decreased by:				
Chief Financial Officer Disbursements:				
Interfund Loans Returned				129,496.47
Cancellation of Police Outside Employment Invoices				36,507.23
Community Development Block Grant				
Received in Regular Fund				<u>289,101.28</u>
				<u>455,104.98</u>
Balance Dec. 31, 2024			\$	<u><u>292,292.20</u></u>

BOROUGH OF AUDUBON
TRUST OTHER FUND
Statement of Police Off Duty Services Receivable
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 94,466.97
Increased by:	
Billings	<u>30,144.69</u>
	124,611.66
Decreased by:	
Cancellation of Prior Year Invoices	<u>36,507.23</u>
Balance Dec. 31, 2024	<u><u>\$ 88,104.43</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF AUDUBON
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2024

Balance Dec. 31, 2023		\$ 2,355,889.85
Increased by Receipts:		
Due Regular Fund	\$ 22,910.77	
Capital Improvement Fund	50,000.00	
Due from NJ DOT	336,632.78	
Bond Anticipation Notes	<u>2,568,750.00</u>	
		<u>2,978,293.55</u>
		5,334,183.40
Decreased by Disbursements:		
Improvement Authorizations	912,096.96	
Bond Anticipation Notes	2,568,750.00	
Due to Regular Fund	<u>22,910.77</u>	
		<u>3,503,757.73</u>
Balance Dec. 31, 2024		<u>\$ 1,830,425.67</u>
<u>Analysis of Balance Dec. 31, 2024</u>		
Cash - Chief Financial Officer		\$ 1,830,424.40
Cash Held with Fiscal Agent		<u>1.27</u>
		<u>\$ 1,830,425.67</u>

BOROUGH OF AUDUBON
GENERAL CAPITAL FUND
Analysis of General Capital Cash
For the Year Ended December 31, 2024

		Receipts			Disbursements			Transfers		Balance
		Bond			Bond					(Deficit)
		Anticipation			Anticipation					(Deficit)
		Notes	Miscellaneous	Improvement	Notes	Miscellaneous	From	To		(Deficit)
		Dec. 31, 2023		Authorizations					Dec. 31, 2024	
Capital Improvement Fund		\$ 51,548.00	\$ 50,000.00				\$ 100,000.00		\$ 1,548.00	
Due Trust Other Funds		(17,457.33)							(17,457.33)	
Due Regular Fund		(5,759.15)	22,910.77			\$ 22,910.77			(5,759.15)	
Due Grant Fund		(31,930.21)							(31,930.21)	
Due from NJ DOT		(380,381.37)	336,632.78						(43,748.59)	
Reserve for Payment of Debt		2,700.54							2,700.54	
Reserve for Encumbrances		434,322.90					434,322.90	\$ 434,730.58	434,730.58	
General Improvements:										
2007-925	Acquisition of a Custom Fire Rescue Pumper Truck	793.37							793.37	
2014-04	Various Pieces of Equipment and Completion of Various Capital Improvements	169,703.78							169,703.78	
2017-10; 2018-11	Various Pieces of Equipment and Completion of Various Capital Improvements	161,389.97							161,389.97	
2018-06	Various Pieces of Equipment and Completion of Various Capital Improvements	493.95							493.95	
2019-04	Various Pieces of Equipment and Completion of Various Capital Improvements	12,755.83	\$ 950,000.00	\$ 68,065.00	\$ 950,000.00			93,065.00	37,755.83	
2020-06	Various Pieces of Equipment and Completion of Various Capital Improvements	834,611.55	908,750.00	244,269.43	908,750.00		10,984.76	33,869.86	613,227.22	
2021-08	Various Pieces of Equipment and Completion of Various Capital Improvements	393,736.32	710,000.00	291,634.89	710,000.00		27,500.00	220,844.70	295,446.13	
2022-05	Various Pieces of Equipment and Completion of Various Capital Improvements	729,361.70		179,033.55			198,501.75	86,543.34	438,369.74	
2024-07	Various Pieces of Equipment and Completion of Various Capital Improvements			106,384.09			16,000.36	50,000.00	(72,384.45)	
2024-11	Various Pieces of Equipment and Completion of Various Capital Improvements			22,710.00			181,743.71	50,000.00	(154,453.71)	
		<u>\$ 2,355,889.85</u>	<u>\$ 2,568,750.00</u>	<u>\$ 409,543.55</u>	<u>\$ 912,096.96</u>	<u>\$ 2,568,750.00</u>	<u>\$ 969,053.48</u>	<u>\$ 969,053.48</u>	<u>\$ 1,830,425.67</u>	

BOROUGH OF AUDUBON
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2024

Balance Dec. 31, 2023		\$ 5,342,000.00
Decreased by:		
Budget Appropriation:		
Serial Bonds	\$ 435,000.00	
Camden County Improvement Authority Lease	<u>486,000.00</u>	
		<u>921,000.00</u>
Balance Dec. 31, 2024		<u><u>\$ 4,421,000.00</u></u>

GENERAL CAPITAL FUND
Statement of Due from NJ DOT
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 380,381.37
Decreased by:	
Receipts	<u>336,632.78</u>
Balance Dec. 31, 2024	<u><u>\$ 43,748.59</u></u>
<u>Analysis of Balance Dec. 31, 2024</u>	
2022-05 -- East Merchant and East Pine Street	<u><u>\$ 43,748.59</u></u>

BOROUGH OF AUDUBON
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Unfunded
For the Year Ended December 31, 2024

		Analysis of Balance Dec. 31, 2024					
Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2023	2024 Authorizations	Balance Dec. 31, 2024	Bond Anticipation Notes	Unexpended Improvement Authorizations
2020-06	Various Pieces of Equipment and Completion of Various Capital Improvements	10/06/20	\$ 950,000.00		\$ 950,000.00	\$ 950,000.00	
2021-08	Various Pieces of Equipment and Completion of Various Capital Improvements	09/07/21	908,750.00		908,750.00	908,750.00	
2022-05	Various Pieces of Equipment and Completion of Various Capital Improvements	10/18/22	710,000.00		710,000.00	710,000.00	
2024-07	Various Pieces of Equipment and Completion of Various Capital Improvements			\$ 950,000.00	950,000.00		\$ 877,615.55
2024-11	Various Pieces of Equipment and Completion of Various Capital Improvements			950,000.00	950,000.00		795,546.29
			<u>\$ 2,568,750.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 4,468,750.00</u>	<u>\$ 2,568,750.00</u>	<u>\$ 1,673,161.84</u>
Improvement Authorizations Unfunded							\$ 3,020,204.93
Less: Unexpended Proceeds of Bond Anticipation Notes:							
Ord 2020-06						\$ 613,227.22	
Ord 2021-08						295,446.13	
Ord 2022-05						<u>438,369.74</u>	
							<u>1,347,043.09</u>
							<u>\$ 1,673,161.84</u>

BOROUGH OF AUDUBON
GENERAL CAPITAL FUND
Statement of From Current Fund
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 5,759.15
Increased by:	
Disbursements:	
Interfunds Liquidated	<u>22,910.77</u>
	28,669.92
Decreased by:	
Receipts:	
Interest Earned on Deposits	<u>22,910.77</u>
Balance Dec. 31, 2024	<u><u>\$ 5,759.15</u></u>

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 51,548.00
Increased by:	
Receipts:	
Budget Appropriations	<u>50,000.00</u>
	101,548.00
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>100,000.00</u>
Balance Dec. 31, 2024	<u><u>\$ 1,548.00</u></u>

BOROUGH OF AUDUBON
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2024

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2023		2024 Authorizations		Prior Year Encumbrances Reclassified	Paid or Charged	Balance Dec. 31, 2024	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded			Funded	Unfunded
2007-925	Acquisition of a Custom Fire Rescue Pumper Truck	07/24/07	\$ 495,000.00	\$ 793.37						\$ 793.37	
2014-04	Various Pieces of Equipment and Completion of Various Capital Improvements	06/17/14	1,000,000.00	169,703.78						169,703.78	
2017-10; 2018-11	Various Pieces of Equipment and Completion of Various Capital Improvements	11/08/17	1,000,000.00	161,389.97						161,389.97	
2018-06	Various Pieces of Equipment and Completion of Various Capital Improvements	07/03/18	775,000.00	493.95						493.95	
2019-04	Various Pieces of Equipment and Completion of Various Capital Improvements	07/16/19	1,250,000.00	12,755.83				\$ 93,065.00	\$ 68,065.00	37,755.83	
2020-06	Various Pieces of Equipment and Completion of Various Capital Improvements	10/06/20	1,450,000.00		\$ 834,611.55			33,869.86	255,254.19		\$ 613,227.22
2021-08	Various Pieces of Equipment and Completion of Various Capital Improvements	09/07/21	1,000,000.00		393,736.32			220,844.70	319,134.89		295,446.13
2022-05	Various Pieces of Equipment and Completion of Various Capital Improvements	10/18/22	1,000,000.00	19,361.70	710,000.00			86,543.34	377,535.30		438,369.74
2024-07	Various Pieces of Equipment and Completion of Various Capital Improvements	09/17/24	1,000,000.00			\$ 50,000.00	\$ 950,000.00		122,384.45		877,615.55
2024-11	Various Pieces of Equipment and Completion of Various Capital Improvements	11/19/24	1,000,000.00			50,000.00	950,000.00		204,453.71		795,546.29
				<u>\$ 364,498.60</u>	<u>\$ 1,938,347.87</u>	<u>\$ 100,000.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 434,322.90</u>	<u>\$ 1,346,827.54</u>	<u>\$ 370,136.90</u>	<u>\$ 3,020,204.93</u>
Disbursed									\$ 912,096.96		
Reserve for Encumbrances									<u>434,730.58</u>		
									<u>\$ 1,346,827.54</u>		

BOROUGH OF AUDUBON
GENERAL CAPITAL FUND
Statement of Camden County Improvement Authority Lease Payable
For the Year Ended December 31, 2024

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding Dec. 31, 2024</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Paid by</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>Dec. 31, 2023</u>	<u>Budget Appropriation</u>	<u>Dec. 31, 2024</u>
2014 Refunding Lease	10/10/14	\$ 4,259,000.00	12/15/25	\$ 505,000.00	4.000%	<u>\$ 991,000.00</u>	<u>\$ 486,000.00</u>	<u>\$ 505,000.00</u>

BOROUGH OF AUDUBON
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2024

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding Dec. 31, 2024</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2024</u>
			<u>Date</u>	<u>Amount</u>				
2019 General Obligation Bonds	10/15/19	\$ 5,866,000.00	11/01/25	\$ 450,000.00	2.000%			
			11/01/26	460,000.00	2.000%			
			11/01/27	470,000.00	2.000%			
			11/01/28	485,000.00	2.125%			
			11/01/29	495,000.00	2.250%			
			11/01/30	505,000.00	2.250%			
			11/01/31	520,000.00	2.250%			
			11/01/32	531,000.00	2.250%			
						<u>\$ 4,351,000.00</u>	<u>\$ 435,000.00</u>	<u>\$ 3,916,000.00</u>

BOROUGH OF AUDUBON
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2024

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Dec. 31, 2023</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2024</u>
2020-06	Various Pieces of Equipment and Completion of Various Capital Improvements	06/28/23	06/28/23 06/26/24	06/27/24 06/25/25	3.770% 4.110%	\$ 950,000.00	\$ 950,000.00	\$ 950,000.00	\$ 950,000.00
2021-08	Various Pieces of Equipment and Completion of Various Capital Improvements	06/28/23	06/28/23 06/26/24	06/27/24 06/25/25	3.770% 4.110%	908,750.00	908,750.00	908,750.00	908,750.00
2022-05	Various Pieces of Equipment and Completion of Various Capital Improvements	06/28/23	06/28/23 06/26/24	06/27/24 06/25/25	3.770% 4.110%	710,000.00	710,000.00	710,000.00	710,000.00
						<u>\$ 2,568,750.00</u>	<u>\$ 2,568,750.00</u>	<u>\$ 2,568,750.00</u>	<u>\$ 2,568,750.00</u>
Renewals							<u>\$ 2,568,750.00</u>	<u>\$ 2,568,750.00</u>	

BOROUGH OF AUDUBON
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2024

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Dec. 31, 2023</u>	<u>2024 Authorizations</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2024</u>
General Improvements:						
2024-07	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	09/17/24		\$ 950,000.00		\$ 950,000.00
2024-11	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	11/19/24		950,000.00		950,000.00
			-	\$ 1,900,000.00	-	\$ 1,900,000.00

BOROUGH OF AUDUBON
PART 2
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Commission
Borough of Audubon
Audubon, New Jersey 08106

Report on Compliance for Each Major Federal Program

Opinion on The Major Federal Program

We have audited the Borough of Audubon's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Borough's major federal program for the year ended December 31, 2024. The Borough's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Borough of Audubon, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on The Major Federal Program

We conducted our audit of compliance 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; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Borough's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control over Compliance (Cont'd)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
October 22, 2025

BOROUGH OF AUDUBON
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/ Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Pass Through Entity Identification Number	Program or Award Amount	Matching Contribution	Grant Period From	To
<u>U.S. Department of Housing and Urban Development</u>							
CDBG - Entitlement / Special Purpose Grants Cluster:							
Passed through County of Camden:							
Community Development Block Grant	14.218	N/A		\$ 288,864.00	N/A	1-1-23	Project End
Community Development Block Grant	14.218	N/A		100,000.00	N/A	1-1-24	Project End
Total U.S. Department of Housing and Urban Development, CDBG - Entitlement / Special Purpose Grants Cluster							
<u>U.S. Department of Homeland Security</u>							
Passed through the State of New Jersey Department of Community Affairs:							
Assistance to Firefighters Grant Program - American Rescue Plan	97.044	COVID-19		74,000.00	N/A	12-4-24	Project End
<u>U.S. Department of Treasury</u>							
Passed through the State of New Jersey Department of Community Affairs:							
Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	022-8030-100-687	901,522.31	N/A	6-16-21	12-31-24
Total Federal Awards							

The accompanying Notes to Financial Statements and Notes to Schedule of Expenditures of Federal Awards is an integral part of this schedule.

Balance Dec. 31, 2023	Revenues Recognized	Disbursed	Pass-Through to Subrecipients	Adjustments	Balance Dec. 31, 2024	(Memo Only)	
						Cash Received	Accumulated Expenditures
\$ 245,513.65	\$ 100,000.00	\$ 225,101.14			\$ 20,412.51 100,000.00	\$ 288,864.00 237.28	\$ 268,451.49
245,513.65	100,000.00	225,101.14	-	-	120,412.51	\$ 289,101.28	268,451.49
-	74,000.00	-	-	-	74,000.00	-	-
901,522.31	-	901,522.31	-	-	-	-	901,522.31
\$ 1,147,035.96	\$ 174,000.00	\$ 1,126,623.45	-	-	\$ 194,412.51	\$ 289,101.28	\$ 1,169,973.80

BOROUGH OF AUDUBON
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") includes federal award activity of the Borough of Audubon (hereafter referred to as the "Borough") under programs of the federal government for the year ended December 31, 2024. The Borough is defined in note 1 to the financial statements. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. Because the schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position and changes in operations of the Borough.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported in accordance with the *Requirements of Audit* (the "*Requirements*") as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and present expenditures on the modified accrual basis of accounting with minor exceptions as mandated by the *Requirements*. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedule are presented at the federal participation level; thus, any matching portion is not included.

Note 3: INDIRECT COST RATE

The Borough has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Note 5: MAJOR PROGRAM

The major programs is identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

BOROUGH OF AUDUBON

PART 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

BOROUGH OF AUDUBON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Adverse and Unmodified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> X </u> yes	<u> </u> no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs	_____ Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	
	_____ yes <u> X </u> no
Identification of major programs:	

Identification of major programs:

Assistance Listings Number(s)

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery Funding

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee?	yes	X	no
--	-----	---	----

BOROUGH OF AUDUBON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section 1- Summary of Auditor's Results (Cont'd)

This Section is Not Applicable

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?

yes

no

Significant deficiency(ies) identified?

yes

none reported

Type of auditor's report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB?

yes

no

Identification of major programs:

GMIS Number(s)

Name of State Program

Dollar threshold used to distinguish between type A and type B programs:

Auditee qualified as low-risk auditee?

yes

no

BOROUGH OF AUDUBON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

Finding No. 2024-001

Criteria or Specific Requirement

New Jersey Statute 40A:4-46 requires that an emergency appropriation be authorized when there is a need for the expenditure of funds that was unforeseen at the time of budget adoption.

Condition

The Borough expended funds in excess of the approved grant budget and didn't authorize an emergency appropriation.

Context

The Borough overexpended a grant totaling \$15,154.78.

Effect

The Borough wasn't in compliance with New Jersey Statute 40A:4-46.

Cause

There was an oversight by the responsible official.

Recommendation

That the Borough authorize an emergency appropriation if additional funds in excess of an approved appropriation is necessary.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF AUDUBON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section 3 - Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

No current year findings.

BOROUGH OF AUDUBON
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

None

BOROUGH OF AUDUBON
Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Robert Jakubowski	Mayor	1,000,000.00 (A)
Robert Lee	Commissioner	1,000,000.00 (A)
Jeffrey Whitman	Commissioner	1,000,000.00 (A)
David Taraschi	Borough Administrator and Treasurer	1,000,000.00 (A)
Megan Giordano	Tax Collector	1,000,000.00 (A)
John Bruno Jr.	Chief Financial Officer	1,000,000.00 (A)
Danielle Ingves	Borough Clerk, Municipal Improvements Search Clerk and Registrar of Vital Statistics	1,000,000.00 (A)
Dawn Coleman	Joint Land Use Board Secretary	1,000,000.00 (A)
Linda Smith	Deputy Tax Collector and Tax Search Officer	1,000,000.00 (A)
Victoria Tortoreto	Deputy Treasurer and Payroll Clerk	1,000,000.00 (A)
Jean Phillips	Court Administrator	1,000,000.00 (A)
Chelsea Jannetti	Deputy Court Administrator	1,000,000.00 (A)
Tori Pracht	Violations Clerk	1,000,000.00 (A)
Charles Shimberg Esq	Municipal Magistrate	1,000,000.00 (A)
Robert Allen	Fire Sub-Code Official	1,000,000.00 (A)
Michael Depalma	Sub-Code Official	1,000,000.00 (A)
William Revaitis	Electrical Sub-Code Official	1,000,000.00 (A)
Robert Scouler	Construction Code Official and Plumbing Sub-Code Official	1,000,000.00 (A)
John Dymond	Assessor	1,000,000.00 (A)
Bach and Associates	Engineer	
Salvatore Siciliano	Solicitor	

(A) Public Employees' Dishonesty Blanket Position Bond, Aggregate Coverage, with a \$1,000.00 per loss deductible through the Camden County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and were properly executed.

10700

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

