

Report of Audit

on the

Financial Statements

of the

*Somerset County Park
Commission*

for the

*Year Ended
December 31, 2011*

SOMERSET COUNTY PARK COMMISSION

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COUNTY OF SOMERSET

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COUNTY OF SOMERSET

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SOMERSET COUNTY PARK COMMISSION

PART I

INDEPENDENT AUDITOR'S REPORT ON
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YEAR ENDED DECEMBER 31, 2011



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Somerset County Park Commission
County of Somerset, New Jersey 08876

We have audited the accompanying financial statements - regulatory basis of the various individual funds and the account group of the Somerset County Park Commission, New Jersey as of and for the years ended December 31, 2011 and 2010 and for the year ended December 31, 2011 as listed as financial statements - regulatory basis in the foregoing table of contents. These financial statements - regulatory basis are the responsibility of the management of the Somerset County Park Commission. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Somerset County Park Commission prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

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In our opinion, because the Somerset County Park Commission prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the various individual funds of the Somerset County Park Commission as of December 31, 2011 and 2010 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2011.

However, in our opinion, the financial statements - regulatory basis present fairly, in all material respects, the financial position - regulatory basis of the various individual funds and account group of the Somerset County Park Commission as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance - regulatory basis for the years then ended and the revenues, expenditures and changes in fund balance - regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated July 26, 2012 on our consideration of the Somerset County Park Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - regulatory basis taken as a whole. The information included in the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis and is not a required part of the 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 regulatory financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO.439

July 26, 2012



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INDEPENDENT AUDITOR'S 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

The Honorable President and Members
of the Somerset County Park Commission
County of Somerset, New Jersey 08880

We have audited the accompanying financial statements - statutory basis of the Somerset County Park Commission (the "Commission") for the year ended December 31, 2011, and have issued our report thereon dated July 26, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Commission prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

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A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the statutory basis of accounting prescribed by the Division of Local Government Services, Department of Local Government Services, Department of Community Affairs, State of New Jersey such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we noted immaterial matters involving internal control and its operations, which are discussed in the General Comments and Recommendations of this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements - statutory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Commission, the Division of Local Government Services and federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO.439

July 26, 2012

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CURRENT FUND

SOMERSET COUNTY PARK COMMISSION

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Current Fund:			
Cash	A-4	\$ 2,141,221.47	\$ 2,036,839.73
Change Funds	A-5	8,050.00	8,050.00
Petty Cash Funds	A-6	2,400.00	2,400.00
		<u>\$ 2,151,671.47</u>	<u>\$ 2,047,289.73</u>
Receivables and Other Assets with Full Reserves:			
Inventory		\$ 113,083.12	\$ 148,784.01
Due Trust Fund	A-12		5,849.03
	A	<u>\$ 113,083.12</u>	<u>\$ 154,633.04</u>
	A	<u>\$ 2,264,754.59</u>	<u>\$ 2,201,922.77</u>
Grant Fund:			
Cash	A-4	\$ 5,096,175.14	\$ 6,119,986.51
Grants Receivable	A-15	5,330.00	
	A	<u>\$ 5,101,505.14</u>	<u>\$ 6,119,986.51</u>
	A	<u>\$ 7,366,259.73</u>	<u>\$ 8,321,909.28</u>

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

SOMERSET COUNTY PARK COMMISSION

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Reserve for Accounts Payable	A-13	\$	\$ 265,000.00
Due Trust Fund	A-12	118,672.57	
Appropriation Reserves	A-3	185,820.07	
Encumbrances Payable	A-11	<u>193,704.31</u>	<u>340,094.88</u>
		\$ 498,196.95	\$ 605,094.88
Reserve for Receivables and Other Assets	A	\$ 113,083.12	\$ 154,633.04
Fund Balance	A-1	<u>1,653,474.52</u>	<u>1,442,194.85</u>
	A	\$ <u>2,264,754.59</u>	\$ <u>2,201,922.77</u>
Grant Fund:			
Due Trust Fund	A-14	\$ 25,000.00	\$
Encumbrances Payable	A-11	1,598,469.06	390,872.71
Reserve for County Grant Appropriated	A-16	<u>3,478,036.08</u>	<u>5,729,113.80</u>
	A	\$ <u>5,101,505.14</u>	\$ <u>6,119,986.51</u>
	A	\$ <u>7,366,259.73</u>	\$ <u>8,321,909.28</u>

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

SOMERSET COUNTY PARK COMMISSIONCURRENT FUNDSTATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2011</u>	<u>YEAR 2010</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,019,450.00	\$ 947,224.00
Miscellaneous Revenue Anticipated:			
County of Somerset	A-2	8,581,316.03	8,193,000.00
Other Revenues	A-2	9,207,424.66	9,582,990.13
Miscellaneous Revenues Not Anticipated	A-2	443,542.01	137,338.80
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	111,376.70	130,789.27
County of Somerset Contribution of Pension Costs	A-1	921,018.00	745,730.00
Interfunds Returned		5,849.03	
Canceled Trust Reserves	A-4	243,155.69	
Canceled Accounts Payable	A-13	29,159.28	
<u>Total Income</u>		<u>\$ 20,562,291.40</u>	<u>\$ 19,737,072.20</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations	A-3	\$ 18,385,942.92	\$ 17,813,051.66
Transfer to Due State of New Jersey	A-8	79.21	95.48
Employers' Share of Pension Costs	A-1	921,018.00	745,730.00
Refund of Prior Year Revenue	A-4	5,849.03	
Canceled Receivables	A-12	18,672.57	
<u>Total Expenditures</u>		<u>\$ 19,331,561.73</u>	<u>\$ 18,558,877.14</u>
Excess in Revenue		\$ 1,230,729.67	\$ 1,178,195.06
<u>Fund Balance</u>			
Balance, January 1	A	<u>1,442,194.85</u>	<u>1,211,223.79</u>
		\$ 2,672,924.52	\$ 2,389,418.85
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>1,019,450.00</u>	<u>947,224.00</u>
Balance, December 31	A	<u>\$ 1,653,474.52</u>	<u>\$ 1,442,194.85</u>

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

SOMERSET COUNTY PARK COMMISSION
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ <u>1,019,450.00</u>	\$ <u>1,019,450.00</u>	\$
Miscellaneous Revenues: County	A-2:A-7	\$ <u>8,581,316.03</u>	\$ <u>8,581,316.03</u>	\$
Other Revenues:				
Green Knoll Golf Course/ Pitch and Putt	A-2	\$ 1,195,000.00	\$ 1,062,928.29	\$ (132,071.71)
Neshanic Valley Golf Course	A-2	2,430,000.00	2,446,903.55	16,903.55
Quail Brook Golf Course	A-2	1,123,000.00	1,037,852.03	(85,147.97)
Spooky Brook Golf Course	A-2	1,089,000.00	1,058,857.34	(30,142.66)
Warrenbrook Golf Course	A-2	898,000.00	737,295.63	(160,704.37)
Neshanic Valley Performance/ Learning Center	A-2	790,000.00	816,193.95	26,193.95
		\$ <u>7,525,000.00</u>	\$ <u>7,160,030.79</u>	\$ (364,969.21)
Colonial Park Paddleboats/ Putting Course	A-2	27,000.00	31,188.50	4,188.50
Colonial Park Tennis Center	A-2	88,000.00	895.00	(87,105.00)
Green Knoll Tennis Center	A-2		79,520.82	79,520.82
Environmental Science	A-2	220,000.00	222,355.56	2,355.56
Lord Stirling Stables	A-2	665,000.00	681,460.28	16,460.28
Warrenbrook Pool	A-2	135,000.00	138,254.90	3,254.90
Therapeutic Recreation	A-2	113,000.00	116,809.11	3,809.11
Concessions	A-7	150,000.00	177,080.00	27,080.00
Licenses, Leases and Rents	A-7	230,000.00	259,216.73	29,216.73
Interest Earned	A-7	160,000.00	142,283.18	(17,716.82)
Medical Reimbursements	A-7	29,000.00	49,098.78	20,098.78
Miscellaneous	A-7	2,000.00	2,357.00	357.00
Reservations	A-2	139,000.00	146,874.01	7,874.01
<u>Other Revenues</u>	A-1	\$ <u>9,483,000.00</u>	\$ <u>9,207,424.66</u>	\$ (275,575.34)
<u>Budget Totals</u>		\$ 19,083,766.03	\$ 18,808,190.69	\$ (275,575.34)
Non-Budget Revenue	A-1:A-2		<u>443,542.01</u>	<u>443,542.01</u>
		<u>\$ 19,083,766.03</u>	<u>\$ 19,251,732.70</u>	<u>\$ 167,966.67</u>
Budget	A-3	\$ 18,670,450.00		
Emergency	A-3	<u>413,316.03</u>		
		<u>\$ 19,083,766.03</u>		

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

SOMERSET COUNTY PARK COMMISSION
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>		
Green Knoll Golf Course/ Pitch & Putt	A-7		\$ 1,116,050.72
Less:			
Re-Sales, Incentives and Professionals	A-4	\$ 39,651.55	
Sales Tax	A-8	<u>13,470.88</u>	
			<u>53,122.43</u>
	A-2		<u>\$ 1,062,928.29</u>
 Neshanic Valley Golf Course			
Less:	A-7		\$ 2,635,785.91
Re-Sales, Incentives and Professionals	A-4	\$ 182,284.43	
Sales Tax	A-8	<u>6,597.93</u>	
			<u>188,882.36</u>
	A-2		<u>\$ 2,446,903.55</u>
 Quail Brook Golf Course			
Less:	A-7		\$ 1,150,609.38
Re-Sales, Incentives and Professionals	A-4	\$ 95,804.01	
Sales Tax	A-8	<u>16,953.34</u>	
			<u>112,757.35</u>
	A-2		<u>\$ 1,037,852.03</u>
 Spooky Brook Golf Course			
Less:	A-7		\$ 1,161,361.15
Re-Sales, Incentives and Professionals	A-4	\$ 88,259.84	
Sales Tax	A-8	<u>14,243.97</u>	
			<u>102,503.81</u>
	A-2		<u>\$ 1,058,857.34</u>
 Warrenbrook Golf Course			
Less:	A-7		\$ 791,002.81
Re-Sales, Incentives and Professionals	A-4	\$ 41,664.12	
Sales Tax	A-8	<u>12,043.06</u>	
			<u>53,707.18</u>
	A-2		<u>\$ 737,295.63</u>
 Neshanic Valley Performance/ Learning Center			
Less:	A-7		\$ 1,196,560.96
Re-Sales, Incentives and Professionals	A-4	\$ 361,776.77	
Sales Tax	A-8	<u>18,590.24</u>	
			<u>380,367.01</u>
	A-2		<u>\$ 816,193.95</u>

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

SOMERSET COUNTY PARK COMMISSION
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>		
Colonial Park Paddleboats/Putting Course	A-7	\$	31,682.47
Less:			
Sales Tax	A-8		<u>493.97</u>
	A-2	\$	<u><u>31,188.50</u></u>
 Colonial Park Tennis Center	 A-7	 \$	 1,005.00
Less:			
Re-Sales, Incentives and Professionals	A-4		<u>110.00</u>
	A-2	\$	<u><u>895.00</u></u>
 Green Knoll Tennis Center	 A-7	 \$	 80,609.48
Less:			
Re-Sales, Incentives and Professionals	A-4	\$	1,082.50
Sales Tax	A-8		<u>6.16</u>
	A-2	\$	<u><u>79,520.82</u></u>
 Environmental Science Center	 A-7	 \$	 232,489.74
Less:			
Re-Sales, Incentives and Professionals	A-4	\$	8,613.07
Sales Tax	A-8		<u>1,521.11</u>
	A-2	\$	<u><u>222,355.56</u></u>
 Lord Stirling Stable	 A-7	 \$	 686,959.09
Less:			
Re-Sales, Incentives and Professionals	A-4	\$	1,173.00
Sales Tax	A-8		<u>4,325.81</u>
	A-2	\$	<u><u>681,460.28</u></u>
 Warrenbrook Pool	 A-7	 \$	 139,016.90
Less:			
Re-Sales, Incentives and Professionals	A-4		<u>762.00</u>
	A-2	\$	<u><u>138,254.90</u></u>

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

SOMERSET COUNTY PARK COMMISSION
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	
Therapeutic Recreation	A-7	\$ 118,044.11
Less:		
Re-Sales, Incentives and Professionals	A-4	1,235.00
	A-2	<u>\$ 116,809.11</u>
Reservations	A-7	\$ 197,114.01
Less:		
Refunds	A-4	50,240.00
	A-2	<u>\$ 146,874.01</u>
<u>MISCELLANEOUS REVENUE NOT ANTICIPATED</u>		
Park Donations		\$ 1,044.52
Worosila Reimbursements		2,700.00
Utilities		21,406.53
FEMA		12,001.85
Miscellaneous		156,396.91
Additional County Funding		250,000.00
	A-4	<u>\$ 443,549.81</u>
Less: Refunds	A-4	7.80
	A-2	<u>\$ 443,542.01</u>

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

SOMERSET COUNTY PARK COMMISSION

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Administrative and Executive:					
Salaries and Wages	\$ 429,487.00	\$ 429,487.00	\$ 414,492.07		\$ 14,994.93
Other Expenses	4,584,866.00	4,160,500.59	4,133,478.47		27,022.12
Golf Operations:					
Salaries and Wages	1,159,211.00	1,159,422.06	1,097,849.26		61,572.80
Other Expenses	71,600.00	105,103.22	64,907.80		40,195.42
Park Maintenance:					
Salaries and Wages	1,056,588.00	1,152,592.23	1,106,123.65		46,468.58
Other Expenses	724,200.00	837,991.96	830,010.37		7,981.59
Maintenance:					
Salaries and Wages	152,291.00	152,548.20	152,548.20		
Other Expenses	29,800.00	438,633.03	252,812.96	185,820.07	
Environmental Education Center:					
Salaries and Wages	667,021.00	667,021.00	649,032.30		17,988.70
Other Expenses	140,172.00	140,172.00	120,468.66		19,703.34
Golf Maintenance:					
Salaries and Wages	2,497,045.00	2,512,024.87	2,390,365.16		121,659.71
Other Expenses	1,022,835.00	1,112,708.06	1,067,131.05		45,577.01
Horticulture:					
Salaries and Wages	468,984.00	468,984.00	461,256.08		7,727.92
Other Expenses	51,921.00	51,921.00	48,512.40		3,408.60
Stable:					
Salaries and Wages	839,126.00	839,126.00	820,939.48		18,186.52
Other Expenses	467,075.00	467,075.00	449,940.91		17,134.09
Human Resources:					
Salaries and Wages	133,757.00	133,757.00	130,061.55		3,695.45
Other Expenses	62,200.00	62,200.00	42,025.97		20,174.03
Golf Management:					
Salaries and Wages	360,304.00	360,533.56	360,533.56		
Other Expenses	685,430.00	766,748.74	638,569.41		128,179.33
Construction:					
Salaries and Wages	209,185.00	209,185.00	207,405.10		1,779.90
Other Expenses	64,035.00	24,035.00	23,689.38		345.62
Recreation:					
Salaries and Wages	385,969.00	422,762.92	419,179.21		3,583.71
Other Expenses	150,425.00	152,120.33	149,320.86		2,799.47
Therapeutic Recreation:					
Salaries and Wages	235,033.00	235,033.00	232,131.10		2,901.90
Other Expenses	18,165.00	18,165.00	14,671.96		3,493.04
Information Management:					
Salaries and Wages	196,198.00	196,198.00	195,797.00		401.00
Other Expenses	272,150.00	272,150.00	235,855.02		36,294.98
Grounds Management:					
Salaries and Wages	81,246.00	81,246.00	81,246.00		
Other Expenses	7,699.00	7,699.00	2,846.45		4,852.55
Buck Garden:					
Salaries and Wages	327,108.00	327,108.00	322,916.84		4,191.16
Other Expenses	82,207.00	82,207.00	81,028.33		1,178.67
Park Rangers:					
Salaries and Wages	730,178.00	730,178.00	717,870.13		12,307.87
Other Expenses	70,970.00	70,970.00	50,699.74		20,270.26

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

SOMERSET COUNTY PARK COMMISSION

CURRENT FUND

STATEMENT OF EXPENDITURES- REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2011

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
Leisure Services:					
Salaries and Wages	\$ 195,019.00	\$ 195,209.26	\$ 195,209.26	\$	\$
Other Expenses	40,950.00	40,950.00	39,197.16		1,752.84
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 18,670,450.00</u>	<u>\$ 19,083,766.03</u>	<u>\$ 18,200,122.85</u>	<u>\$ 185,820.07</u>	<u>\$ 697,823.11</u>
	<u>REF.</u>				
	A-2		A-1	A:A-1	
Budget	A-3	\$ 18,670,450.00			
Emergency	A-9	413,316.03			
		<u>\$ 19,083,766.03</u>			
Encumbrances Payable	A-11		\$ 191,441.75		
Disbursements	A-4		18,599,992.14		
			<u>\$ 18,791,433.89</u>		
Less:					
Refunds	A-4	\$ 355,470.32			
Accounts Payable Canceled	A-13	235,840.72			
			<u>591,311.04</u>		
			<u>\$ 18,200,122.85</u>		

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

TRUST FUND

"B"

SOMERSET COUNTY PARK COMMISSION

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Cash	B-1	\$ 3,493,874.64	\$ 859,899.53
Accounts Receivable	B-3	1,932.06	20,604.63
Due Current Fund	B-2	118,672.57	
Due Grant Fund	B-5	25,000.00	
		<u>\$ 3,639,479.27</u>	<u>\$ 880,504.16</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Due Current Fund	B-2	\$	\$ 5,849.03
Encumbrances Payable	B-4	79,259.20	26,117.44
Reserves for Dedicated Park Deposits	B-6	3,560,220.07	848,537.69
		<u>\$ 3,639,479.27</u>	<u>\$ 880,504.16</u>

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

GENERAL CAPITAL FUND

COUNTY OF SOMERSET PARK COMMISSION

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Current Fund:			
Cash		\$ 227,656.58	\$ 902,671.94
Investments		4,000,000.00	4,000,000.00
	C-2:C-3	<u>\$ 4,227,656.58</u>	<u>\$ 4,902,671.94</u>
		<u>\$ 4,227,656.58</u>	<u>\$ 4,902,671.94</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Encumbrances Payable	C-5	\$ 1,278,792.50	\$ 1,272,824.85
Improvement Authorizations:			
Funded	C-6	2,810,917.70	3,491,900.71
Fund Balance	C-1	<u>137,946.38</u>	<u>137,946.38</u>
		<u>\$ 4,227,656.58</u>	<u>\$ 4,902,671.94</u>

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

SOMERSET COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011	C	\$ <u>137,946.38</u>

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

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SOMERSET COUNTY PARK COMMISSION
GENERAL FIXED ASSETS ACCOUNT GROUP
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
<u>FIXED ASSETS:</u>		
Buildings and Building Improvements	\$ 34,703,940.00	\$ 33,306,625.00
Machinery, Equipment and Vehicles	<u>11,245,355.00</u>	<u>11,471,495.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 45,949,295.00</u>	<u>\$ 44,778,120.00</u>
 <u>RESERVE</u>		
Investment in Fixed Assets	<u>\$ 45,949,295.00</u>	<u>\$ 44,778,120.00</u>

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

NOTES TO FINANCIAL STATEMENTS

SOMERSET COUNTY PARK COMMISSION

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011 AND 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Somerset County Park Commission was created in 1956 for the purpose of providing specialized park areas and facilities of regional to financial accountability. Commissioners are appointed by the Board of Chosen Freeholders of Somerset County, New Jersey.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Somerset County Park Commission conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Somerset County Park Commission are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Commission accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

General Fixed Assets Account Group - utilized to account for property, land, buildings, construction in progress and equipment that has been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for counties by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Grants are realized as revenue when anticipated in the Commission's budget. Other amounts that are due the Commission, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Commission's statutory Appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Interfunds - Interfunds 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. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Commission as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$2,500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

The County Park Commission has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by the County. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for donated fixed assets which are valued at estimated market value at the time of donation.

Land values related to the Park Commission have been included within the buildings classification of the general fixed assets because the original purchase price for Park Commission properties did not allocate the costs between land and buildings. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund.

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

Inventories of Supplies - The cost of supplies are recorded as expenditures at the time the individual items are purchased. The cost of inventories for revenue producing activities is included at cost on the balance sheet and equally offset by a fund balance reserve.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Commission presents the financial statements in accordance with the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Commission considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Government Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits.

All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Somerset County Park Commission had the following cash and cash equivalents at December 31, 2011:

	Change Fund/Petty Cash	Cash in Bank	Additions	Deletions	Reconciled Balance
Current Fund	\$10,450.00	\$2,180,754.20		\$39,532.73	\$2,141,221.47
Grant Fund		5,096,175.14			5,096,175.14
Trust Other Fund		3,493,874.64			3,493,874.64
General Capital Fund		227,656.58			227,656.58
	<u>\$10,450.00</u>	<u>\$10,998,460.56</u>	<u>\$0.00</u>	<u>\$39,532.73</u>	<u>\$10,958,927.83</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Commission does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2011, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$10,748,460.56 was covered by NJ GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Commission are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

In addition, the Somerset County Park Commission has \$4,000,000.00 in investments that are in accordance with the above statute.

NOTE 3: LONG-TERM DEBT

Bonds are issued by the County of Somerset to fund capital projects of the Park Commission.

NOTE 4: FUND BALANCE APPROPRIATED

Fund Balance at December 31, 2011 which was appropriated and included as anticipated revenue in the Commission budget for the year ending December 31, 2012 was as follows:

Current Fund	\$ <u>1,214,946.00</u>
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NOTE 5: PENSIONS

Employees who are eligible for a pension plan, are enrolled in the Public Employees' Retirement System and Police and Firemen's Retirement System administered by the Division of Pensions, Treasury Department of the State of New Jersey. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employees. The Park Commission's share, paid by the County of Somerset, that includes the costs of the early retirement incentive program of pension costs, which is based upon the annual billings received from the State, amounted to \$921,018.00 for 2011, \$745,730.00 for 2010 and \$704,469.00 for 2009.

Park Commission employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 6: COMPENSATED ABSENCES

The Park Commission has permitted employees to accumulate unused vacation and sick pay, which may be taken as time off or paid under certain circumstances. Management has estimated, at December 31, 2011 that the accumulated cost of such unpaid compensation would approximate \$953,061.58 for unused sick and vacation days. Under existing accounting principles and practices prescribed by the Division of Local Government Services, the amounts required to be paid in any fiscal year for the above mentioned compensation are raised in that year's budget and no liability is required to be accrued or reported in the financial statements at December 31, 2011.

NOTE 7: LITIGATION

The Park Commission counsel's letter did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the Commission.

NOTE 8: RISK MANAGEMENT

The Park Commission is exposed to various risks of losses related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Beginning in 1994, the County became a member of the Somerset County Joint Insurance Fund (the "Fund"), which was formed in accordance with P.L. 1983, C 372 entitled "An Act Concerning Joint Insurance Funds for Local Government Units of Government." The Fund provides insurance coverage covering each of the above-mentioned risks of loss. The County's contribution to the Fund is based on actuarial assumptions determined by the Fund's actuary. The Fund also purchases commercial insurance for claims in excess of coverage provided by the Fund. Workers' compensation claims incurred prior to January 1, 1994 are required to be financed by the Park Commission. The loss from these claims incurred, but not reported, has not been determined.

The Park Commission maintains the following types of insurance coverage:

- Worker's Compensation and Employee Liability
- Comprehensive General Liability
- Motor Vehicle Liability
- Property Damage
- Public Officials Legal Liability

NOTE 9: CONTINGENT LIABILITIES

The Park Commission may participate in various financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. The state and federal grants received and expended in 2011 were subject to the Single Audit Act Amendment of 1996 and State of New Jersey OMB Circular 04-04 which mandates that grants revenues and expenditures be audited in conjunction with the Park Commission's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II Single Audit Section of the 2011 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2011 the Park Commission does not believe that any material liabilities will result from such audits.

NOTE 10: COUNTY SUPPORT

During 2011, the County of Somerset provided the Park Commission with the following funding:

Operating Fund	\$8,168,000.00
Capital Fund	\$2,000,000.00

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$	\$ 118,672.57
Grant Fund		25,000.00
Trust Fund	<u>143,672.57</u>	<u> </u>
	<u>\$ 143,672.57</u>	<u>\$ 143,672.57</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

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COUNTY OF SOMERSET

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2011

SOMERSET COUNTY PARK COMMISSION

CURRENT FUND

SCHEDULE OF CASH - TREASURER

<u>REF.</u>	<u>CURRENT FUND</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
A	\$	2,036,839.73	\$ 6,119,986.51
Balance, December 31, 2010			
Increased by Receipts:			
Revenue Accounts Receivable	\$ 18,336,327.42		
Miscellaneous Revenue Not Anticipated	443,549.81		
Accounts Receivable	413,316.03		
Due Trust Fund	105,849.03		
Appropriation Refunds	355,470.32		
Appropriation Reserve Refunds	1,986.15		
Encumbrances Payable - Payroll Liabilities	12,097,544.78		
Canceled Trust Reserves	243,155.69		
Due Trust Fund		25,000.00	
Grants Receivable		269,670.00	
	\$	31,997,199.23	\$ 294,670.00
		34,034,038.96	6,414,656.51
Decreased by Disbursements:			
2011 Appropriations	\$ 18,599,992.14		
2010 Appropriation Reserves	226,708.81		
Due to State of New Jersey- Sales and Use Tax	88,325.68		
Encumbrances Payable - Payroll Liabilities	12,099,277.74		
Grants Appropriated		1,318,481.37	
Miscellaneous Revenue Anticipated -			
Resales, Credit Card Fees and Refunds -			
Green Knoll Golf Course/ Pitch & Putt			
Neshanic Valley Golf Course	39,651.55		
Quail Brook Golf Course	182,284.43		
Spooky Brook Golf Course	95,804.01		
Warrenbrook Pools	88,259.84		
Neshanic Valley Performance/ Learning Center	41,664.12		
Colonial Park Tennis Center	361,776.77		
Green Knoll Tennis Center	110.00		
Environmental Science Center	1,082.50		
Lord Stirling Stables	8,613.07		
Warrenbrook Pools	1,173.00		
Therapeutic Recreation	762.00		
Refunds of Miscellaneous Revenue Anticipated	1,235.00		
Refunds of Miscellaneous Revenue Not Anticipated	50,240.00		
Refund of Prior Year Revenue	7.80		
	\$	31,892,817.49	\$ 1,318,481.37
		2,141,221.47	5,096,175.14
Balance, December 31, 2011			

"A-5"

SOMERSET COUNTY PARK COMMISSION

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

	BALANCE DECEMBER 31, <u>2010 & 2011</u>
Green Knoll Golf Shop	\$ 1,500.00
Quail Brook Golf Shop	1,300.00
Spooky Brook Golf Shop	1,500.00
Warrenbrook Golf Shop	1,100.00
Neshanic Valley Golf Shop	1,100.00
Neshanic Valley Learning Center	1,000.00
Colonial Park	100.00
Green Knoll Tennis Center	50.00
Warrenbrook Pool	150.00
Environmental Education Center	150.00
Lord Stirling Stable	100.00
	<hr/>
	\$ 8,050.00
	<hr/> <hr/>
<u>REF.</u>	A

"A-6"

SCHEDULE OF PETTY CASH

	BALANCE DECEMBER 31, <u>2010 & 2011</u>
Finance Office	\$ 100.00
Park Headquarters	350.00
Golf Management	200.00
Golf Operations	200.00
Golf Maintenance	100.00
Green Knoll Golf Maintenance	50.00
Quailbrook Golf Maintenance	50.00
Spooky Brook Golf Maintenance	50.00
Warrenbrook Golf Maintenance	50.00
Neshanic Valley Golf Maintenance	50.00
Environmental Science	150.00
Environmental Science - Special Revenue	50.00
Lord Stirling Stable	150.00
Therapeutic Recreation	100.00
Park Maintenance	250.00
Park Rangers	100.00
Horticulture	100.00
Buck Garden	100.00
Special Projects	200.00
	<hr/>
	\$ 2,400.00
	<hr/> <hr/>
<u>REF.</u>	A

SOMERSET COUNTY PARK COMMISSION

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>ACCRUED IN 2011</u>	<u>COLLECTED</u>
County		\$ 8,168,000.00	\$ 8,168,000.00
County - Hurricane Irene Emergency		413,316.03	413,316.03
	A-2	<u>8,581,316.03</u>	<u>8,581,316.03</u>
Green Knoll Golf Course and Pitch and Putt	A-2	1,116,050.72	1,116,050.72
Neshanic Valley Golf Course	A-2	2,635,785.91	2,635,785.91
Quail Brook Golf Course	A-2	1,150,609.38	1,150,609.38
Spooky Brook Golf Course	A-2	1,161,361.15	1,161,361.15
Warrenbrook Golf Course	A-2	791,002.81	791,002.81
Neshanic Valley Performance/ Learning Center Golf Courses, Pitch & Putt and Learning Center	A-2	<u>1,196,560.96</u>	<u>1,196,560.96</u>
		\$ 8,051,370.93	\$ 8,051,370.93
Colonial Park Paddleboats/ Putting Course	A-2	31,682.47	31,682.47
Colonial Park Tennis Center	A-2	1,005.00	1,005.00
Green Knoll Tennis Center	A-2	80,609.48	80,609.48
Environmental Science Center	A-2	232,489.74	232,489.74
Lord Stirling Stables	A-2	686,959.09	686,959.09
Warrenbrook Pool	A-2	139,016.90	139,016.90
Therapeutic Recreation	A-2	118,044.11	118,044.11
Concessions	A-2	177,080.00	177,080.00
Licenses, Leases and Rents	A-2	259,216.73	259,216.73
Interest Earned	A-2	142,283.18	142,283.18
Medical Reimbursements	A-2	49,098.78	49,098.78
Miscellaneous	A-2	2,357.00	2,357.00
Reservations	A-2	<u>197,114.01</u>	<u>197,114.01</u>
		\$ <u>18,336,327.42</u>	\$ <u>18,336,327.42</u>
	<u>REF.</u>		A-4

"A-8"

SOMERSET COUNTY PARK COMMISSION

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY - SALES AND USE TAX

	<u>REF.</u>			
Increased by:				
Sales Tax Charges	A-2	\$	88,246.47	
Transfer from Reserve for Operations	A-1		<u>79.21</u>	
				\$ 88,325.68
Decreased by:				
Disbursements	A-4			<u>88,325.68</u>

"A-9"

SCHEDULE OF ACCOUNTS RECEIVABLE

	<u>REF.</u>			
Increased by:				
Emergency Appropriation	A-3	\$		413,316.03
Decreased by:				
Receipts	A-4			<u>413,316.03</u>

SOMERSET COUNTY PARK COMMISSION

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
<u>OTHER EXPENSES:</u>			
Administration	40,980.43	30,745.38	\$ 10,235.05
Golf Maintenance	123,516.91	70,368.25	53,148.66
Horticulture	5,922.64	2,810.22	3,112.42
Park Maintenance	35,212.82	27,363.33	7,849.49
Environmental Education Center	3,486.31	3,224.57	261.74
Park Rangers	1,788.09	1,760.18	27.91
Golf Operations	6,627.58	6,378.58	249.00
Stable	76,024.21	43,909.14	32,115.07
Information Management	6,352.95	6,352.95	
Recreation	1,976.90	1,976.90	
Therapeutic Recreation	142.35		142.35
Grounds Management	19.96	19.96	
Human Resources	5,087.72	5,087.72	
Buck Garden	1,856.95	1,744.30	112.65
Golf Management	23,943.34	19,879.98	4,063.36
Construction	2,954.78	2,895.78	59.00
Maintenance Division	205.42	205.42	
	<u>\$ 336,099.36</u>	<u>\$ 224,722.66</u>	<u>\$ 111,376.70</u>
	<u>REF.</u>		
	A-11		A-1
Disbursements	A-4	\$ 226,708.81	
Less: Refunds	A-4	<u>1,986.15</u>	
		<u>\$ 224,722.66</u>	

SOMERSET COUNTY PARK COMMISSION

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	A		\$ 730,967.59
Increased by:			
Appropriations	A-3	\$ 191,441.75	
Grants Appropriated	A-16	1,598,469.06	
Receipts - Payroll Liabilities	A-4	<u>12,097,544.78</u>	
			13,887,455.59
			<u>\$ 14,618,423.18</u>
Decreased by:			
Transfer to Appropriation Reserves	A-10	\$ 336,099.36	
Transfer to Reserve for Grants Appropriated	A-16	390,872.71	
Disbursements - Payroll Liabilities	A-4	<u>12,099,277.74</u>	
			<u>12,826,249.81</u>
Balance, December 31, 2011			<u>\$ 1,792,173.37</u>
Current Fund	A		\$ 193,704.31
Grant Fund	A		<u>1,598,469.06</u>
			<u>\$ 1,792,173.37</u>

"A-12"

SOMERSET COUNTY PARK COMMISSION

CURRENT FUND

SCHEDULE OF DUE TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2010 (Due From)	A		\$ 5,849.03
Decreased by:			
Receipts	A-4	\$ 105,849.03	
Canceled Receivables	A-1	<u>18,672.57</u>	
			<u>124,521.60</u>
Balance, December 31, 2011 (Due To)	A		\$ <u><u>118,672.57</u></u>

"A-13"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2010	A		\$ 265,000.00
Decreased by:			
Canceled	A-1	\$ 29,159.28	
Transfer to Appropriations	A-3	<u>235,840.72</u>	
			<u>265,000.00</u>

"A-14"

SOMERSET COUNTY PARK COMMISSION

GRANT FUND

SCHEDULE OF DUE TRUST FUND

REF.

Increased by:		
Receipts	A-4	\$ <u>25,000.00</u>
Balance, December 31, 2011 (Due To)	A	\$ <u><u>25,000.00</u></u>

"A-15"

SCHEDULE OF GRANTS RECEIVABLE

Increased by:		
2011 Local Grant	A-16	\$ 275,000.00
Decreased by:		
Receipts	A-4	<u>269,670.00</u>
Balance, December 31, 2011	A	\$ <u><u>5,330.00</u></u>

SOMERSET COUNTY PARK COMMISSION

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

Balance, December 31, 2010	A		\$ 5,729,113.80
Increased by:			
2011 Local Grant	A-15	\$ 275,000.00	
Transfer from Encumbrances Payable	A-11	<u>390,872.71</u>	
			665,872.71
			<u>\$ 6,394,986.51</u>
Decreased by:			
Disbursements	A-4	\$ 1,318,481.37	
Encumbrances Payable	A-11	<u>1,598,469.06</u>	
			<u>2,916,950.43</u>
Balance, December 31, 2011	A		<u>\$ 3,478,036.08</u>

Analysis of Balance

County of Somerset - Preservation Development	\$ 3,214,209.08
Local - Preservation, Rehab. & Restoration of Duderstadt Farmstead	<u>263,827.00</u>
	<u>\$ 3,478,036.08</u>

SOMERSET COUNTY PARK COMMISSION

TRUST FUND

SCHEDULE OF TRUST CASH-TREASURER

	<u>REF.</u>		
Balance, December 31, 2010	B		\$ 859,899.53
Increased by Receipts:			
Reserves for Dedicated Park Deposits	B-6		<u>4,509,105.28</u>
			\$ 5,369,004.81
Decreased by Disbursements:			
Due Current Fund	B-2	\$ 105,849.03	
Due Grant Fund	B-5	25,000.00	
Reserves for Dedicated Park Deposits	B-6	<u>1,744,281.14</u>	
			<u>1,875,130.17</u>
Balance, December 31, 2011	B		\$ <u><u>3,493,874.64</u></u>

"B-2"

SOMERSET COUNTY PARK COMMISSION

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2010 (Due To)	B		\$ 5,849.03
Decreased by:			
Disbursements	B-1	\$ 105,849.03	
Receivables Canceled	B-3	<u>18,672.57</u>	
			<u>124,521.60</u>
Balance, December 31, 2011 (Due From)	B		\$ <u><u>118,672.57</u></u>

"B-3"

SCHEDULE OF ACCOUNTS RECEIVABLE

Balance, December 31, 2010	B		\$ 20,604.63
Decreased by:			
Canceled	B-2		<u>18,672.57</u>
Balance, December 31, 2011	B		\$ <u><u>1,932.06</u></u>

"B-4"

SOMERSET COUNTY PARK COMMISSION

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2010	B	\$ 26,117.44
Increased by:		
Reserves for Dedicated Park Deposits	B-6	<u>253,532.06</u>
		\$ <u>279,649.50</u>
Decreased by:		
Transfer to Reserves for Dedicated Park Deposits	B-6	<u>200,390.30</u>
Balance, December 31, 2011	B	\$ <u><u>79,259.20</u></u>

"B-5"

SCHEDULE OF DUE GRANT FUND

Increased by:		
Disbursements	B-1	\$ <u>25,000.00</u>
Balance, December 31, 2011 (Due From)	B	\$ <u><u>25,000.00</u></u>

SOMERSET COUNTY PARK COMMISSION

TRUST FUND

SCHEDULE OF RESERVES FOR DEDICATED PARK DEPOSITS

	BALANCE DECEMBER 31, 2010	RECEIPTS	DISBURSEMENTS	ENCUMBRANCES	BALANCE DECEMBER 31, 2011
Human Resources - Safety Fair Employee Committee	\$ 419.55	\$ 725.33	\$ 415.83	\$	\$ 729.05
Flood	211,854.60	338,610.78	435,961.28	11,513.96	102,990.14
Vendor Refunds	87,457.12		87,457.12		
Colonial Park - Rose Garden Special	6,826.49	4,077.00	2,909.22	(1,420.08)	9,414.35
Junior Golf Special	3,260.50				3,260.50
Sourland Mountain Special	577.89				577.89
Buck Gardens - Special	6,673.95	3,494.00	2,128.00	664.25	7,375.70
Buck Gardens - Fox / Sternlieb Foundation	1,079.95		1,079.95		
Colonial Park - Power Mill Pond	2,025.62		450.00		1,575.62
Lord Stirling Manor Brick Buildings				(961.94)	961.94
Vancamp Farmstead	97,663.94	114,051.75			211,715.69
Raritan River Complex	18,100.36				18,100.36
Middlebrook Encampment	909.72				909.72
Washington Valley Park	2,422.51				2,422.51
North Branch Lighting Improvement	7,672.60		6,505.10		1,167.50
Stable Special	5,194.66	3,191.00	2,591.80		5,793.86
Stable Friends of Lord Stirling Stables	2,363.06				2,363.06
Corporate Sponsorship	16,381.68	4,150.00	12,185.34	2,299.86	6,046.48
Recreation - Concert	10,363.53	5,703.75	5,000.00		11,067.28
Recreation - Cabin Fever Kids	3,945.19	900.00	5.69		4,839.50
Recreation - Yoga	36,242.31	15,020.00	33,288.41		17,973.90
Recreation - Ticket	583.36		583.36		
Recreation - Tennis Center Grant	1,531.14				1,531.14
Therapeutic Recreation Activities	14,857.12	11,741.61	10,835.11		15,763.62
Therapeutic Recreation Grant	1,261.19	2,000.00	1,339.52	(5.84)	1,927.51
Therapeutic Recreation Overnight	4,289.64	1,959.37	5,233.64		1,015.37
Therapeutic Recreation Yac	167.01		167.01		
Therapeutic Recreation SA Camp	424.30		424.30		
Therapeutic Recreation Camp Okeesunokee	2,921.36	1,809.10	1,532.21		3,198.25
Environmental Education Center - Special	770.38	3,000.00	4,720.38	(950.00)	
Environmental Education Center - Day Trips	1,263.10	6,894.62	6,575.04	(20.11)	1,602.79
Environmental Education Center - Overnight Trips	6,733.42	10,213.81	14,385.26	(1,518.29)	4,080.26
Environmental Education Center - Awesim Naturalist	2,190.14	10,341.52	11,103.82	(175.00)	1,602.84
Environmental Education Center - Archeology	219.78		219.78		
Environmental Education Center - Grant	4,600.88	3,905.28	1,149.09	261.60	7,095.47
Environmental Education Center - Great Swamp	45.15		45.15		
Environmental Education Center - Eagle Scout Project	546.18		546.18		
Warren Township Reserve	4,841.35				4,841.35
Environmental Education Center - Donations	5,816.36	1,217.95	1,979.75		5,054.56
Environmental Education Center - Africa	4,218.52		4,218.52		
National Resource Restoration Fish and Wildlife		18,672.57	12,160.04		6,512.53
Buck Garden - North American Rock Garden Society	4,777.51	3,419.46	3,494.38	3.79	4,698.80
Howe Trust Principal/ Interest	96,186.32	3,176,168.26	280,098.76	16,605.81	2,975,650.01
Hawk Watch Trail	25,000.00				25,000.00
Golf Shop	90,000.00	717,838.12	740,627.84	22,209.53	45,000.75
Support River Friendly Golf	3,132.92			2,336.00	796.92
Mary Maker	50,000.00		50,000.00		
Women's Amateur Public Links		50,000.00	2,138.93	2,298.22	45,562.85
	<u>\$ 848,537.69</u>	<u>\$ 4,509,105.28</u>	<u>\$ 1,744,281.14</u>	<u>\$ 53,141.76</u>	<u>\$ 3,560,220.07</u>

REF.

B

B-1

B-1

B

Encumbrances

B-4

\$ 253,532.06

Less: Prior Year Encumbrances

B-4

(200,390.30)

\$ 53,141.76

SOMERSET COUNTY PARK COMMISSION

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH-TREASURER

	<u>REF.</u>		
Balance, December 31, 2010	C		\$ 4,902,671.94
Increased by Receipts:			
Due From County of Somerset			
- Improvement Authorization	C-4	\$ 2,000,000.00	
Refund - Improvement Authorizations	C-6	<u>297,955.02</u>	
			<u>2,297,955.02</u>
			\$ <u>7,200,626.96</u>
Decreased by Disbursements:			
Encumbrances Payable	C-5	\$ 329,011.68	
Improvement Authorizations	C-6	<u>2,643,958.70</u>	
			<u>2,972,970.38</u>
Balance, December 31, 2011	C		\$ <u><u>4,227,656.58</u></u>

"C-3"

SOMERSET COUNTY PARK COMMISSION

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

	BALANCE DECEMBER <u>31, 2011</u>
Fund Balance	\$ 137,946.38
Encumbrances Payable	1,278,792.50
Funded Improvements as Set Forth on "C-6"	<u>2,810,917.70</u>
	<u>\$ 4,227,656.58</u>
<u>REF.</u>	C

SOMERSET COUNTY PARK COMMISSION
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM COUNTY OF SOMERSET

	<u>REF.</u>	
Increased by:		
Receipts	C-2	\$ 2,000,000.00
Decreased by:		
Improvement Authorization	C-6	<u>2,000,000.00</u>

SOMERSET COUNTY PARK COMMISSION

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 1,272,824.85
Increased by:		
Improvement Authorizations	C-6	<u>334,979.33</u>
		\$ <u>1,607,804.18</u>
Decreased by:		
Disbursements	C-2	<u>329,011.68</u>
Balance, December 31, 2011	C	\$ <u><u>1,278,792.50</u></u>

SOMERSET COUNTY PARK COMMISSION

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>IMPROVEMENT DESCRIPTION</u>	<u>APPROPRIATION</u>	<u>DECEMBER 31, 2010</u> <u>FUNDED</u>	<u>2011</u> <u>AUTHORIZATIONS</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>DECEMBER 31, 2011</u> <u>FUNDED</u>
2006 Park Capital Projects	\$ 4,875,000.00	\$ 92,089.44	\$	\$ 86,930.00	\$ 5,159.44
2007 Park Capital Projects	7,293,000.00	630,715.21		29,552.92	601,162.29
2009 Park Capital Projects	3,851,000.00	1,033,674.71		809,277.85	224,396.86
2010 Park Capital Projects	2,073,000.00	1,735,421.35		1,139,973.97	595,447.38
2011 Park Capital Projects	2,000,000.00		2,000,000.00	615,248.27	1,384,751.73
		<u>\$ 3,491,900.71</u>	<u>\$ 2,000,000.00</u>	<u>\$ 2,680,983.01</u>	<u>\$ 2,810,917.70</u>
<u>REF.</u>		C	C-4		C-C-3
Encumbrances Payable				\$ 334,979.33	
Disbursements				<u>2,643,958.70</u>	
Less: Refunds				<u>2,978,938.03</u>	
				<u>297,955.02</u>	
				<u>\$ 2,680,983.01</u>	

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PART II

COUNTY OF SOMERSET

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATION

YEAR ENDED DECEMBER 31, 2011

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - CURRENT FUND

	YEAR 2011		YEAR 2010	
	AMOUNT	%	AMOUNT	%
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,019,450.00	4.96%	\$ 947,224.00	4.80%
Miscellaneous Revenue Anticipated	17,788,740.69	86.51%	17,775,990.13	90.06%
Miscellaneous Revenues - Other	<u>1,754,100.71</u>	<u>8.53%</u>	<u>1,013,858.07</u>	<u>5.14%</u>
Total Income	\$ <u>20,562,291.40</u>	<u>100.00%</u>	\$ <u>19,737,072.20</u>	<u>100.00%</u>
EXPENDITURES				
Budget Expenditures:				
Operations	\$ 18,385,942.92	95.11%	\$ 17,813,051.66	95.98%
Other Expenditures	<u>945,618.81</u>	<u>4.89%</u>	<u>745,825.48</u>	<u>4.02%</u>
Total Expenditures	\$ <u>19,331,561.73</u>	<u>100.00%</u>	\$ <u>18,558,877.14</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,230,729.67		\$ 1,178,195.06	
Fund Balance, January 1	<u>1,442,194.85</u>		<u>1,211,223.79</u>	
	\$ <u>2,672,924.52</u>		\$ <u>2,389,418.85</u>	
Less: Utilization as Anticipated Revenue	<u>1,019,450.00</u>		<u>947,224.00</u>	
Fund Balance, December 31	\$ <u>1,653,474.52</u>		\$ <u>1,442,194.85</u>	

COMPARATIVE SCHEDULE OF COUNTY SUPPORT

Set forth below is the County support for the past five years:

<u>YEAR</u>	<u>TOTAL</u>	<u>CURRENT OPERATIONS</u>	<u>GRANT</u>	<u>CAPITAL</u>
2011	\$10,168,000.00	\$8,168,000.00		\$2,000,000.00
2010	11,866,000.00	8,193,000.00	\$1,600,000.00	2,073,000.00
2009	16,017,000.00	8,193,000.00	3,973,000.00	3,851,000.00
2008	13,683,000.00	8,561,000.00	1,982,000.00	3,140,000.00
2007	17,889,500.00	9,061,500.00	1,535,000.00	7,293,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as of December 31, 2011:

<u>NAME</u>	<u>TITLE</u>
<u>MEMBERS OF THE BOARD</u>	
Steven Fuerst	President
Joanne M. Jaeger	Vice President
Paul Consiglio	Commissioner
William Crosby	Commissioner
Dale Florio	Commissioner
Walter Hansen	Commissioner
Christopher Paladino	Commissioner
Dorothy Paluck	Commissioner
Gary Walsh	Commissioner
<u>OTHER OFFICIALS</u>	
Raymond A. Brown	Secretary- Director
Daniel Livak	Deputy Director, Business Administrator
Brian Newman	Treasurer
Stuart Lederman	Counsel
<u>COUNTY LIASONS</u>	
Patrick Scaglione	Freeholder

*As per the Risk Management Plan, the Somerset County Joint Insurance Fund provides a Faithful Performance of Duty Crime Coverage to all Park Commission Employees in the amount of \$1,000,000.00

COMMENTS AND RECOMMENDATION

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

N.J.S.A. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971, c. 198 (c.40A:11-3), except by contract or agreement".

Effective January 1, 2011 the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$36,000.00. However effective February 16, 2006 the bid threshold was set at \$17,500.00 by resolution of the Commissioners. The Commissioners of the Somerset County Park Commission have the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Somerset County Park Commission's Counsel's opinion should be sought before a commitment is made.

The records of the Department of Purchasing indicate that bids were requested by public advertisement for:

- Purchase of John Deere Gators with Options
- Furnishing and Delivery of Stable Bedding
- Lease, Delivery and Maintenance of Electric and Gas Powered Golf Cars
- Irrigation System Repair, Support, Maintenance and Parts
- Furnishing and Delivery of July 4th Pyrotechnics Display
- HVAC at all Park Locations
- Plumbing Services at all Park Locations
- Electrical Services at all Park Locations
- Janitorial Services
- Furnish and Deliver Hay
- Furnish and Deliver Animal Feed and Supplements
- Refuse Disposal Services
- Purchase of Uniforms
- Staining and Painting Headquarters Building
- Well Maintenance and Repair
- Golf Maintenance Materials and Accessories
- Tree Pruning and Removal Services
- Testing and Monitoring of Fire Alarms and Security Systems

CONTRACTS AND AGREEMENTS REQUIRED TO BE
ADVERTISED FOR (N.J.S.A. 40A:11-4) (CONTINUED)

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

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 "for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6."

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

OTHER COMMENTS

Inventory System

The Commission utilized a perpetual inventory system for tracking sales and inventory of golf related merchandise. In our review we noted that several items in inventory had negative quantities. This indicates that items being sold are not being entered into inventory at the time of purchase by the Commission.

RECOMMENDATION

That all merchandise purchased be entered into inventory.

