BOROUGH OF AUDUBON PARK

COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR 2010

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

BOROUGH OF AUDUBON PARK
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BOROUGH OF AUDUBON PARK

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Borough of Audubon Park, in the County of Camden, State of New Jersey as of December 31, 2010 and 2009, 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 assets group of accounts for the year ended December 31, 2010. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. 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 financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Audubon Park, in the County of Camden, State of New Jersey, as of December 31, 2010 and 2009, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the 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 Park, in the County of Camden, State of New Jersey, as of December 31, 2010 and 2009, 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, expenditures-- regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2010 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.

In accordance with Government Auditing Standards, we have also issued our report dated February 10, 2011 on our consideration of the Borough of Audubon Park, in the County of Camden, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on 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 assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Audubon Park's basic financial statements. The supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
February 10, 2011

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 Mayor and
Members of the Borough Council
Borough of Audubon Park
Audubon Park, New Jersey 08106

We have audited the financial statements (regulatory basis) of the Borough of Audubon Park, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated February 10, 2011, which indicated that the 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. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Audubon Park's internal control over financial reporting as a basis for designing our auditing 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 Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Audubon Park's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are 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.

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
February 10, 2011

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2010 and 2009

	Ref.	2010	2009
ASSETS			
Regular Fund:			
Cash	SA-1	$ 97,983.07	$ 140,758.80
Due from State of New Jersey	SA-8	-	8,618.63
		97,983.07	149,377.43
Receivables with Full Reserves:			
Prepaid Local District School Taxes	SA-1 ; SA-12		20,858.00
Due from Animal Control Fund	SB-3	88.52	87.04
Due from Federal and State Grant	SA-1	47,372.17	
Due Trust - Other Fund	SB-5		67.65
		47,460.69	21,012.69
Deferred Charges:			
Special Emergency Authorizations	SA-6	8,982.00	11,976.00
Emergency Appropriation	SA-5	6,550.00	6,000.00
		15,532.00	17,976.00
		160,975.76	188,366.12
Federal and State Grant Fund:			
Cash	SA-1		3,961.15
Grants Receivable	SA-15	84,443.35	166,963.29
		84,443.35	170,924.44
		$ 245,419.11	$ 359,290.56

(Continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2010 and 2009

	Ref.	2010	2009
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3; SA-7	$ 10,905.71	$ 5,553.74
Reserve for Encumbrances	A-3	1,179.49	1,506.13
Reserve for the Expense of Participation in Free County Library with State Aid	SA-11		1,312.21
Payroll Deductions Payable	SA-10	2,649.94	1,587.06
Tax Anticipation Note	SA-14	50,000.00	100,000.00
Due to General Capital Fund	C	2,124.94	2,124.94
		66,860.08	112,084.08
Reserves for Receivables and Other Assets		47,460.69	21,012.69
Fund Balance	A-1	46,654.99	55,269.35
		160,975.76	188,366.12
Federal and State Grant Fund:			
Due Current Fund	SA-1	47,372.17	
Unappropriated Reserves	SA-16	558.33	1,548.36
Accounts Payable	SA-17	8,498.33	
Appropriated Reserves	SA-17	28,014.52	169,376.08
		84,443.35	170,924.44
		$ 245,419.11	$ 359,290.56

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

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2010 and 2009

	2010	2009
Revenue and Other Income Realized		
Fund Balance	$ 26,000.00	
Miscellaneous Revenues Anticipated	298,838.75	$ 505,453.55
Receipts from Current Taxes	904,058.03	781,901.05
Non-Budget Revenue	15,910.51	23,426.19
Other Credits to Income:		
Due Federal and State Grant Fund		11,595.53
Liquidation of Reserve for Interfunds	66.17	610.11
Unexpended Balance of Appropriation Reserves	2,326.08	1,004.86
Total Income	1,247,199.54	1,323,991.29
Expenditures		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	84,937.08	81,044.04
Other Expenses	186,037.08	151,045.12
Deferred Charges and Statutory Expenditures	11,926.48	51,226.66
Excluded from "CAPS":		
Operations:		
Other Expenses	497,760.36	527,817.18
Capital Improvements--Excluded from "CAPS"	6,550.00	151,000.00
Municipal Debt Service--Excluded from "CAPS"	47,884.14	40,705.22
Deferred Charges and Statutory Expenditures	8,994.00	2,994.00
Local District School Tax	188,676.00	151,407.00
County Taxes	153,589.95	144,206.05
Refund of Prior Year Revenue		2,032.90
Expenditures Without an Appropriation		
Cancellation of Grants Receivable	2,627.61	5,004.34
Creation of Reserve for:		
Due Animal Control Fund		2.74
Due Trust Other Fund	9.03	
Prepaid Local District School Taxes		20,858.00
Due Federal and State Grant Fund	47,372.17	
Total Expenditures	1,236,363.90	1,329,343.25
Excess (Deficit) in Revenues (Carried Forward)	10,835.64	(5,351.96)

(Continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2010 and 2009

	2010	2009
Excess (Deficit) in Revenues (Brought Forward)	$ 10,835.64	$ (5,351.96)
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	6,550.00	6,000.00
Statutory Excess to Fund Balance	17,385.64	648.04
Fund Balance		
Balance Jan. 1	55,269.35	54,621.31
	72,654.99	55,269.35
Decreased by:		
Utilized as Revenue	26,000.00	-
Balance Dec. 31	$ 46,654.99	$ 55,269.35

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

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2010

	Anticipated Budget	Special N.J.S. 40A: 4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	$ 26,000.00	---	$ 26,000.00	---
Miscellaneous Revenues:				
Rental of Municipal Facility	21,500.00		13,619.05	$ (7,880.95)
Rental of Old School House	47,000.00		48,686.47	1,686.47
Consolidated Municipal Property Tax Relief Act	43,299.00		43,299.00	
Energy Receipts Tax	59,724.00		59,672.87	(51.13)
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services: Interlocal Municipal Service Agreements Offset With Appropriations:				
Interlocal Service Agreement	40,000.00		37,500.00	(2,500.00)
Interlocal Service Agreement	49,000.00		50,000.00	1,000.00
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services: Public and Private Revenues Off-Set with Appropriations:				
Recycling Tonnage Grant	1,548.36		1,548.36	
Community Development Block Grant	19,655.00		19,655.00	
Clean Communities Program	4,000.00		4,000.00	
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services: Other Special Items: Liquidation of Reserve for:				
Prepaid School Taxes	20,858.00		20,858.00	
	306,584.36		298,838.75	(7,745.61)
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	505,070.64	---	505,120.80	50.16
Budget Totals	837,655.00		829,959.55	(7,695.45)
Non-Budget Revenue	---	---	15,910.51	15,910.51
	$ 837,655.00	$ -	$ 845,870.06	$ 8,215.06

(Continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2010

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collections		$ 904,058.03
Allocated to:		
County and School Taxes		398,937.23
Amount for Support of Municipal Budget Appropriations		$ 505,120.80

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:		
Revenue Accounts Receivable:		
Interest on Investments	$ 367.96	
Licenses -- Clerk	-	
Licenses -- Registrar	14.00	
Fees and Permits -- Registrar	-	
Fees and Permits -- Clerk	35.00	
		$ 416.96
Franchise Fees		12,982.79
Due from Trust Other Fund		9.03
Due from Animal Control Fund		1.48
		13,410.26
Sale of Recycling Buckets	45.00	
Library Donations	27.39	
Refund of Prior Year Expenditures	810.07	
Veterans and Senior Citizens Administration Fee	431.82	
Close out of Local School District Account	1,185.97	
		2,500.25
		$ 15,910.51

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

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2010

	Appropriations		Paid or Charged			
	Budget	Budget After Modification	Expended	Reserved	Overexpended	Canceled
OPERATIONS--WITHIN "CAPS"						
General Government						
Administrative and Executive						
Salaries and Wages	$ 51,370.00	$ 54,186.00	$ 54,019.03	$ 166.97		
Other Expenses	10,800.00	11,200.00	11,196.69	3.31		
Mayor and Council						
Other Expenses	4,200.00	7,720.00	7,704.32	15.68		
Election						
Other Expenses	900.00	900.00	813.82	86.18		
Financial Administration						
Salaries and Wages	17,585.08	17,585.08	17,209.13	375.95		
Other Expenses	13,200.00	12,700.00	12,501.00	199.00		
Audit Services	9,500.00	9,500.00	9,500.00	-		
Assessment of Taxes						
Other Expenses	1,106.08	1,106.08	1,106.08	-		
Collection of Taxes						
Salaries and Wages	2,000.00	2,000.00	2,000.00	-		
Legal Services and Costs						
Other Expenses	10,000.00	14,500.00	13,627.42	872.58		
Public Employees Award Program						
Other Expenses	175.00	175.00	175.00	-		
Engineering Services and Costs						
Other Expenses	10,000.00	6,314.00	6,215.80	98.20		
Insurance						
Workers Compensation	9,000.00	9,000.00	9,000.00	-		
Group Insurance for Employees	17,705.00	15,505.00	14,671.69	833.31		
Other Insurance	14,500.00	14,500.00	14,111.06	388.94		
Unemployment Compensation	600.00	600.00	489.02	110.98		
Public Safety						
First Aid Organization Contribution	2,500.00	2,500.00	2,500.00	-		
Office of Emergency Management						
Salaries and Wages	1.00	1.00	-	1.00		
Other Expenses	5,517.00	1,417.00	1,321.17	95.83		
Aid to Volunteer Fire Company						
Other Expenses	6,000.00	6,000.00	6,000.00	-		
Streets and Roads						
Public Buildings and Grounds						
Other Expenses	28,000.00	23,950.00	23,750.82	199.18		

(Continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2010

	Appropriations		Paid or Charged			
	Budget	Budget After Modification	Expended	Reserved	Overexpended	Canceled
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Health and Welfare						
Board of Health						
Salaries and Wages	$ 2,100.00	200.00	$ -	$ 200.00		
Other Expenses	300.00	300.00	237.50	62.50		
Dog Regulation						
Other Expenses	4,000.00	6,500.00	6,209.34	290.66		
Recreation and Education						
Parks and Playgrounds						
Other Expenses	3,000.00	100.00	97.86	2.14		
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	3,000.00	2,500.00	2,472.63	27.37		
Expenses of Participation in Free						
County Library						
Salaries and Wages	10,315.00	9,165.00	9,150.00	15.00		
Other Expenses	2,550.00	1,650.00	1,573.73	76.27		
Courtesy Busing						
Other Expenses	13,800.00	23,300.00	23,233.60	66.40		
Senior Citizens						
Salaries and Wages	1,800.00	1,800.00	1,050.00	750.00		
Other Expenses	50.00	50.00	-	50.00		
Unclassified						
Maintenance of Equipment	7,000.00	5,100.00	5,059.83	40.17		
Telephone	5,000.00	6,350.00	6,331.82	18.18		
Cable and Internet Access	2,000.00	1,100.00	935.71	164.29		
Street Lighting	1,500.00	1,500.00	329.10	1,170.90		
Total Operations--Within "CAPS"	271,074.16	270,974.16	264,593.17	6,380.99	-	-
Detail:						
Salaries and Wages	85,171.08	84,937.08	83,428.16	1,508.92	-	-
Other Expenses	185,903.08	186,037.08	181,165.01	4,872.07	-	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS"						
Statutory Expenditures:						
Public Employee Retirement System	4,918.00	4,918.00	4,918.00	-		
Social Security System (O.A.S.I.)	6,908.48	7,008.48	6,976.44	32.04		
Total Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"	11,826.48	11,926.48	11,894.44	32.04	-	-
Total General Appropriations for Municipal Purposes Within--"CAPS"	282,900.64	282,900.64	276,487.61	6,413.03	-	-

(Continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2010

	Appropriations		Paid or Charged			
	Budget	Budget After Modification	Expended	Reserved	Overexpended	Canceled
OPERATIONS EXCLUDED FROM "CAPS"						
Other Operations:						
Insurance (N.J.S.A. 40A:4-45.3)						
Group Insurance for Employees	$ 2,295.00	$ 2,295.00	$ 2,295.00			
Contribution To:						
Public Employees Retirement System	1,262.00	1,262.00	1,262.00	-		
Total Other Operations - Excluded from "CAPS"	3,557.00	3,557.00	3,557.00	-	-	-
Shared Municipal Service Agreements:						
Garbage and Trash Removal						
Other Expenses	49,000.00	49,000.00	48,624.00	$ 376.00		
Garbage and Trash Disposal						
Other Expenses	40,000.00	40,000.00	35,893.32	4,106.68		
Police Services - Borough of Audubon						
Contracted Services	380,000.00	380,000.00	379,990.00	10.00		
Total Shared Municipal Agreements - Excluded from "CAPS"	469,000.00	469,000.00	464,507.32	4,492.68		
Public and Private Programs Off-set by Revenues						
Recycling Tonnage Grant	1,548.36	1,548.36	1,548.36	-		
Clean Communities Grant	4,000.00	4,000.00	4,000.00	-		
Community Development Block Grant	19,655.00	19,655.00	19,655.00	-		
Total Public and Private Programs --Excluded from "CAPS"	25,203.36	25,203.36	25,203.36	-	-	-
Total Operations - Excluded from "CAPS"	497,760.36	497,760.36	493,267.68	4,492.68	-	-
OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)						
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	497,760.36	497,760.36	493,267.68	4,492.68	-	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Installation of Fence (Emergency $6,550.00)	-	6,550.00	6,550.00	-	-	-
MUNICIPAL DEBT SERVICE						
Bond and Note Principal	40,000.00	40,000.00	40,000.00	-	-	-
Interest on Notes	8,000.00	8,000.00	7,884.14	-	-	$ 115.86
Total Debt Service	48,000.00	48,000.00	47,884.14	-	-	115.86

(Continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2010

	Appropriations		Paid or Charged			
	Budget	Budget After Modification	Expended	Reserved	Overexpended	Canceled
DEFERRED CHARGES						
Emergency Authorizations	$ 6,000.00	$ 6,000.00	$ 6,000.00	-		
Special Emergency Authorizations (40A: 4-55)	2,994.00	2,994.00	2,994.00	-		
Total Deferred Charges	8,994.00	8,994.00	8,994.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	554,754.36	561,304.36	556,695.82	$ 4,492.68		$ 115.86
Total General Appropriations	$ 837,655.00	$ 844,205.00	$ 833,183.43	$ 10,905.71	$ -	$ 115.86

Budget	$ 837,655.00
Emergency Appropriation by 40A:4-47	6,550.00
Appropriation by 40A:4-87	-
	$ 844,205.00

Refunds	$ (12,495.12)
Payroll Deductions Payable	28,824.67
Reserve for Encumbrances	1,179.49
Deferred Charges	8,994.00
Reserve for Federal and State Grants--Appropriated	25,203.36
Disbursed	781,477.03
	$ 833,183.43

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

BOROUGH OF AUDUBON PARK
TRUST FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2010 and 2009

	Ref.	2010	2009
ASSETS			
Animal Control Fund:			
Cash	SB-1	$ 60.90	$ 655.42
Deficit in Reserve for Animal Control Expenditures	SB-2	27.62	
		88.52	655.42
Other Funds:			
Cash	SB-1	1,802.95	1,307.65
		$ 1,891.47	$ 1,963.07
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund:			
Due Current Fund	SB-3	$ 88.52	$ 87.04
Due to State of New Jersey	SB-1	-	6.00
Reserve for Animal Control Fund Expenditures	SB-2	-	562.38
		88.52	655.42
Other Funds:			
Reserve for Multi-Purpose Facility Deposits	SB-4	1,802.95	1,240.00
Due to Current Fund	SB-5	-	67.65
		1,802.95	1,307.65
		$ 1,891.47	$ 1,963.07

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

BOROUGH OF AUDUBON PARK
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2010 and 2009

	Ref.	2010	2009
ASSETS			
Deferred Charges to Future Taxation:			
Unfunded	SC-2	$ 80,000.00	$ 120,000.00
Due from Current Fund	A	2,124.94	2,124.94
		$ 82,124.94	$ 122,124.94
LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes	SC-4	$ 80,000.00	$ 120,000.00
Improvement Authorizations:			
Funded	SC-3	174.94	174.94
Capital Improvement Fund		1,950.00	1,950.00
		$ 82,124.94	$ 122,124.94

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

BOROUGH OF AUDUBON PARK
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Additions	Deletions	Balance Dec. 31, 2010
General Fixed Assets:				
Building:				
John Kerfoot Building	$ 180,487.40			$ 180,487.40
Old School Building	195,110.97			195,110.97
Firehouse	100,000.00			100,000.00
Fire Truck	132,900.00			132,900.00
Hockey Rink	42,414.00			42,414.00
Photocopier (Borough Clerk)				-
Playground Equipment & Basketball Courts	37,063.78			37,063.78
Baseball Field Fencing	21,485.00			21,485.00
Total General Fixed Assets	709,461.15			709,461.15
Total Investments in General Fixed Assets	$ 709,461.15	$ -	$ -	$ 709,461.15

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

BOROUGH OF AUDUBON PARK
Notes to Financial Statements
For the Year Ended December 31, 2010

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

Description of Financial Reporting Entity - The Borough of Audubon Park was incorporated in 1917 and is located in southwest New Jersey approximately two miles southeast of the City of Philadelphia. The present population is estimated to be 1,080.

The Borough of Audubon Park operates under a Mayor-Council form of government. The Mayor is Chief Executive Officer of the Borough and is elected at the general election by the electorate for a four-year term. The Council is the legislative body of the Borough and consists of six members elected by popular vote to three-year terms. The day-to-day operations are conducted by the Borough Clerk.

Component Units - The Borough of Audubon Park had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of Audubon Park contain all funds and account groups in accordance with the "Requirements of Audit" 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 of Audit 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 of Audubon Park accounts for its financial transactions through the use of separate funds 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.

Budgets and Budgetary Accounting - The Borough of Audubon Park 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.

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

Budgets and Budgetary Accounting (Cont'd) - 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. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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 of Audubon Park requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Inter-funds – Inter-fund 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. Inter-fund 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. Inter-fund 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 Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of $5,000, the maximum amount allowed by the Circular. 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 their estimated fair market value on the acquisition date. 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 Assets, 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 includes 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.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures 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.

Fund Balance - Fund Balances included in the current fund represents an amount that is 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 are 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 the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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 and the Borough of Audubon Consolidated 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 Consolidated School District. Operations is charged for the full amount required to be raised from taxation to operate the district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2009 and decreased by the amount deferred at December 31, 2010.

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

County Taxes - The borough is responsible for levying, collecting and remitting county taxes for the County of Camden. Operations is charged for the amount due 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.

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 immediate 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. The history of tax collections for the Borough is a 100% collection rate. Therefore, an appropriation for “Reserve for Uncollected Taxes” has not been required.

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 payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual 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 fiscal 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.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick 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.

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. As of December 31, 2010, all of the Borough's bank balances of $100,364.21 were fully insured.

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 years.

Comparative Schedule of Tax Rates

	2010(A)	2009(A)	2008	2007	2006
Tax Rate	$3.885	$3.376	$7.987	$7.192	$6.560
Apportionment of Tax Rate:					
Municipal	$2.170	$2.180	$5.113	$5.162	$5.199
County	.661	.624	.653	.714	.824
Local School	1.054	.572	2.221	1.316	.537

Assessed Valuation

2010 (A)	$23,270,477.00
2009 (A)	23,160,576.00
2008	9,387,705.00
2007	9,300,056.00
2006	9,299,122.00

(A) Revaluation

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2010	$904,058.03	$904,058.03	100.00%
2009	781,901.05	781,901.05	100.00%
2008	708,046.00	708,046.00	100.00%
2007	668,860.03	668,860.03	100.00%
2006	610,022.40	610,022.40	100.00%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2010	---	---	---	---
2009	---	---	---	---
2008	---	---	---	---
2007	---	---	---	---
2006	---	---	---	---

Note 4: **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.

Year	Balance Dec. 31	Utilized In Budget of Succeeding Year	Percentage of Fund Balance Used
Current Fund			
2010 (A)	$45,897.99	$26,865.00	58.53%
2009	55,269.35	26,000.00	47.04%
2008	49,465.37	---	---
2007	99,868.61	21,000.89	21.02%
2006	55,630.72	10,000.00	17.98%
2005	69,130.72	13,500.00	19.53%

(A) Proposed amount. The 2011 Budget is expected to be introduced on March 7, 2011.

Note 5: **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, 2010:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	$47,460.69	$2,124.94
Trust—Animal Control Funds		88.52
General Capital Fund	2,124.94	
Federal and State Grant Fund		47,372.17
	$49,585.63	$49,585.63

Note 6: **PENSION PLANS**

The Borough of Audubon Park contributes to one cost-sharing multiple-employer defined benefit pension plan, the Public Employees' Retirement System (PERS), which is administered by the New Jersey Division of Pensions and Benefits. The plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

Note 6: **PENSION PLANS (CONT'D)**

Public Employees' Retirement System (Cont'd) - The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

Year	Normal Contribution	Accrued Liability	Total Liability	Pension Deferral	Funded by State	Paid by Borough
2010	$3,128.00	$3,052.00	$6,180.00	---	---	$6,180.00
2009	2,483.00	2,265.00	4,748.00	---	---	4,748.00
2008	2,709.00	2,088.00	4,797.00	---	$959.00	3,838.00

Note 7: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN**

Plan Description - The Borough contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1991, the Borough authorized participation in the SHPB's post-retirement benefit program through resolution number 91-139A. Participating employers will pay the premium or periodic charges for the benefits provided to employees who retired after 25 years or more of service credited in a state or locally administered retirement system. Participating employers will also reimburse such retired employees for their premium charges under Part B of the Federal Medicare Program.

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

Note 7: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)**

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis.

The Borough's contributions to SHBP for the years ended December 31, 2010, 2009 and 2008, were $16,966.69, $16,381.29, and $19,955.65, respectively, which equaled the required contributions for each year. There were two retired participants eligible at December 31, 2010, 2009 and 2008.

Note 8: **COMPENSATED ABSENCES**

Borough employee's unused vacation and sick time is not accumulated and carried forward and at no time is compensation paid for time not utilized at year end.

Note 9: **LEASE OBLIGATIONS**

At December 31, 2010, the Borough had lease agreements in effect for the following:

Operating:
One copy machine
One postage machine

The following is an analysis of the operating leases.

Future minimum rental payments under operating lease agreements are as follows:

Year	Amount
2011	$1,067.40
2012	1,067.40
2013	604.55

Rental payments under operating leases for the year 2010 were $1,067.40.

Note 10: **CAPITAL DEBT**

Summary of Debt

	Year 2010	Year 2009	Year 2008
Issued			
General:			
Bonds and Notes	$80,000.00	$120,000.00	$154,000.00
Total Issued and Authorized but Not Issued	80,000.00	120,000.00	154,000.00
Net Debt	$80,000.00	$120,000.00	$154,000.00

Note 10: **CAPITAL DEBT (CONT"D)**

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 1.04%.

	Gross Debt	Deductions	Net Debt
Consolidated School District	---	---	---
General	$80,000.00	---	$80,000.00
	$120,000.00	---	$80,000.00

Net Debt $80,000.00 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, $14,989,066.67 equals 1.04%

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

3 1/2% of Equalized Valuation Basis (Municipal)	$524,617.33
Net Debt	80,000.00
Remaining Borrowing Power	$444,617.33

Note 11: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	Balance Dec. 31, 2010	2011 Budget Appropriation
Current Fund:		
Special Emergency Authorizations	$8,982.00	$2,994.00
Emergency Authorizations	6,550.00	6,550.00
Animal Control Trust Fund		
Deficit in Reserve	27.62	27.62

The appropriations in the 2011 Budget to be introduced are not less than that required by the statutes.

Note 12: **SCHOOL TAXES**

Audubon Borough Consolidated School District 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:

	Balance Dec. 31, 2010	Balance Dec. 31, 2009
Balance of Tax	$122,671.28	$66,000.00
Deferred	122,671.28	66,000.00
	---	---

Note 13: **JOINT INSURANCE POOL**

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

Workers' Compensation
Property Damage other than Motor Vehicles
General Liability/Auto Liability
Environmental Liability
Public Officials/Employment Practices Liability

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:

Workers' Compensation
Property Damage other than Motor Vehicles
General Liability/Auto Liability
Environmental Liability
Public Officials/Employment Practices Liability

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 to $200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2010, which can be obtained from:

Camden County Municipal Joint Insurance Fund
Park 80 West Plaza One
Saddle Brook, New Jersey 07663

Note 14: **LEASED FACILITIES**

The Borough is the owner of “the Old School House” which is currently being leased to Tippie Toes day care school. The lease is for a period of five years beginning on March 1, 2007 with the monthly rental as follows:

2007	$3,000.00
2008	4,000.00
2009	4,500.00
2010	5,000.00
2011	5,500.00

Revenue received from this leased is realized as a current revenue when actually collected.

Note 15: **INTER-LOCAL AGREEMENT**

The Borough entered into an inter-local agreement with the Township of Haddon to provide police protection services. The agreement was for a five year period beginning September 1, 2009 and ending on August 31, 2014. The annual cost is as follows:

2009-10	$380,000.00
2010-11	380,000.00
2011-12	380,000.00
2012-13	380,000.00
2013-14	380,000.00

Note 16: **SUBSEQUENT EVENTS**

Subsequent to December 31, the Borough of Audubon Park authorized additional Bonds and Notes as follows:

Purpose	Date	Amount
General Capital:		
Bonds and Notes:		
Acquisition of New Financial System	February 7, 2011	$14,250.00
Engineering Costs Associated with Overlay of Borough Streets	February 7, 2011	14,250.00
Replacement of Firehouse Roof	February 7, 2011	71,250.00
Construction of Existing Recreation Facilities	February 7, 2011	19,000.00
		$118,750.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Current Cash
PER N.J.S.40A:5-5- Chief Financial Officer
For the Year Ended December 31, 2010

		Regular		Federal and State Grant Fund
Balance Dec. 31, 2009		$ 140,758.80		$ 3,961.15
Increased by Receipts:				
Interlocal Service Agreement	$ 87,500.00			
Tax Collector -- 2010 Taxes Receivable	888,458.03			
Due from State of New Jersey	21,591.02			
Revenue Accounts Receivable	13,399.75			
Due State of New Jersey --DYFS	150.00			
Energy Receipts Tax	59,672.87			
Consolidated Municipal Purposes Tax Relief Aid	43,299.00			
Budget Refunds	12,495.12			
Petty Cash Funds--Contra	200.00			
Proceeds from Tax Anticipation Note	50,000.00			
Miscellaneous Revenue not Anticipated	2,500.25			
Rental of Old School House	48,686.47			
Rental of Municipal Facilities	13,619.05			
Due from Trust Other Fund	67.65			
Due Current Fund			$ 47,372.17	
Contra	80,000.00			
Federal and State Grants Receivable			106,733.27	
		1,321,639.21		154,105.44
		1,462,398.01		158,066.59
Decreased by Disbursements:				
2010 Appropriations	781,477.03			
2009 Appropriation Reserves	4,733.79			
Payroll Deductions Payable	27,761.79			
County Taxes Payable	153,589.95			
Tax Anticipation Notes	100,000.00			
Local District School Taxes Payable	167,818.00			
Due State of New Jersey --DYFS	150.00			
Due Federal and State Grant Fund	47,372.17			
Petty Cash Funds--Contra	200.00			
Reserve for the Expense of Participation in Free County Library with State Aid	1,312.21			
Contra	80,000.00			
Federal and State Grants--Appropriated			158,066.59	
		1,364,414.94		158,066.59
Balance Dec. 31, 2010		$ 97,983.07		$ -

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Petty Cash Funds
For the Year Ended December 31, 2010

Office	Received from Treasurer	Returned to Treasurer
Borough Clerk	$ 200.00	$ 200.00

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2010

Year	2010 Levy	Collections 2009	Collections 2010	Due from State of New Jersey	Balance Dec. 31, 2010
2010	$ 904,058.03	---	$ 888,458.03	$ 15,600.00	$ -

Analysis of 2010 Property Tax Levy

Tax Yield		
General Purpose Tax		$ 904,058.03
Tax Levy		
Local School Tax		$ 245,347.28
County Taxes:		
County Tax	$ 143,930.10	
County Library Tax	9,659.85	
County Open Space Tax	-	
Total County Taxes		153,589.95
Local Tax for Municipal Purposes	505,070.64	
Add: Additional Tax Levied	50.16	
Local Tax for Municipal Purposes Levied		505,120.80
		$ 904,058.03

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Accrued in 2010	Canceled	Realized in 2010	Balance Dec. 31, 2010
Clerk:					
Fees and Permits		$ 35.00		$ 35.00	
Licenses		-		-	
Registrar of Vital Statistics:					
Licenses		14.00		14.00	
Fees and Permits		-		-	
Verizon Franchise Fee.		4,934.84		4,934.84	
Comcast Cable Franchise Fee		8,047.95		8,047.95	
Interest on Investments		378.47		378.47	
	$ -	$ 13,410.26	$ -	$ 13,410.26	$ -

Due from Trust Other Fund	$ 9.03
Due from Animal Control Fund	1.48
Collections	13,399.75
	$ 13,410.26

Exhibit SA-5

CURRENT FUND
Statement of Deferred Charges
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Accrued in 2010	Raised in 2010	Balance Dec. 31, 2010
Emergency Appropriation	$ 6,000.00	$ 6,550.00	$ 6,000.00	$ 6,550.00
	$ 6,000.00	$ 6,550.00	$ 6,000.00	$ 6,550.00

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Deferred Charges
N.J.S.A. 40A:4-55 Special Emergency -- Revaluation Program
For the Year Ended December 31, 2010

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2009	Raised in 2010 Budget	Balance Dec. 31, 2010
10/07/08	Reassessment Program	$ 14,970.00	$ 2,994.00	$ 11,976.00	$ 2,994.00	$ 8,982.00

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of 2009 Appropriation Reserves
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009 Encumbered	Balance Dec. 31, 2009 Reserved	Adjusted Balance	Disbursed	Balance Lapsed
ıpropriations Within "CAPS"					
Administrative and Executive					
Salaries and Wages		$ 0.83	$ 0.83		$ 0.83
Other Expenses		62.92	62.92		62.92
Mayor and Council					
Other Expenses		3.51	3.51		3.51
Election					
Other Expenses		13.11	13.11		13.11
Financial Administration					
Salaries and Wages		26.17	26.17		26.17
Other Expenses		0.41	0.41		0.41
Collection of Taxes					
Salaries and Wages		0.08	0.08		0.08
Legal Services and Costs					
Other Expenses		83.33	3.33		3.33
Insurance					
Group Insurance for Employees		82.17	82.17		82.17
Other Insurance Premiums		12.09	12.09		12.09
Unemployment Compensation	$ 184.00	-	184.00	$ 184.00	-
Public Buildings and Grounds					
Other Expenses		78.54	781.54	780.00	1.54
Office of Emergency Management					
Other Expenses		98.06	0.06		0.06
Board of Health					
Salaries and Wages		50.00	50.00		50.00
Other Expenses		175.00	-		-
Dog Regulation					
Other Expenses		17.95	17.95		17.95
Senior Citizens					
Other Expenses		51.00	51.00		51.00
Celebration of Public Event, Aniversary or Holiday					
Other Expenses		0.50	0.50		0.50
Expenses of Participation in Free County Library					
Other Expenses		96.85	96.85		96.85
Unclassified					
Telephone		9.47	9.47		9.47
Cable and Internet Access		78.79	78.79		78.79
Street Lighting		354.49	4.49		4.49
Statutory Expenditures					
Public Employees Retirement System		0.53	0.53		0.53
Social Security System (O.A.S.I.)	1,322.13	0.84	1,322.97	1,322.13	0.84
ıpropriations Excluded from "CAPS"					
Garbage and Trash Disposal					
Other Expenses		937.10	937.10		937.10
Capital Improvements					
Solar Feasability Study		3,320.00	3,320.00	2,447.66	872.34
	$ 1,506.13	$ 5,553.74	$ 7,059.87	$ 4,733.79	$ 2,326.08

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Due From State of New Jersey--Veteran's and Senior Citizens' Deductions
For the Year Ended December 31, 2010

Balance December 31, 2009		$ 8,618.63
Increased by:		
2010 Veterans` and Senior Citizens` Deductions Per Billings		15,600.00
		24,218.63
Decreased by:		
Collections	$ 21,591.02	
Canceled	2,627.61	
		24,218.63
Balance December 31, 2010		$ -

Exhibit SA-9

CURRENT FUND
Statement of Due to State of New Jersey Division of Youth and Family Services
For the Year Ended December 31, 2010

Balance December 31, 2009	$ -
Collections	150.00
	150.00
Decreased by:	
Disbursements	150.00
Balance December 31, 2010	$ -

Exhibit SA-10

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2010

Balance December 31, 2009	$	1,587.06
Increased by:		
Payroll Deductions		28,824.67
		30,411.73
Decreased by:		
Disbursements		27,761.79
Balance December 31, 2010	$	2,649.94

Analysis of Balance December 31, 2010

Public Employees Retirement System	$	519.60
Internal Revenue Service -- Withholding Tax and Social Security		1,769.62
New Jersey Gross Income Tax and Unemplyment and Disability		360.72
	$	2,649.94

Exhibit SA-11

CURRENT FUND
Statement of Reserve for the Expense of Participation in Free County Library with State Aid
For the Year Ended December 31, 2010

Balance December 31, 2009	$	1,312.21
Increased by:		
Receipts		-
		1,312.21
Decreased by:		
Disbursements		1,312.21
Balance December 31, 2010	$	-

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Consolidated School District Tax
For the Year Ended December 31, 2010

Balance December 31, 2009		
School Tax Payable	$ -	
School Tax Deferred	66,000.00	
		$ 66,000.00
Increased by:		
Levy--School Year July 1, 2010 to June 30, 2011		245,347.28
		311,347.28
Decreased by:		
Payments	167,818.00	
Prepayments Applied	20,858.00	
		188,676.00
Balance December 31, 2010		
School Tax Payable		
School Tax Deferred	122,671.28	
		$ 122,671.28
2010 Liability for Consolidated School District Tax:		
Tax Paid		$ 188,676.00
Add: Tax Payable 12-31-10		-
		188,676.00
Less: Tax Payable 12-31-09		-
Amount Charged to 2010 Operations		$ 188,676.00

Exhibit SA-13

CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2010

Levy:		
County Tax	$ 143,930.10	
County Library Tax	9,659.85	
County Open Space Tax	-	
		$ 153,589.95
Decreased by:		
Payments		$ 153,589.95

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Tax Anticipation Notes
For the Year Ended December 31, 2010

Date of Issue of	Date of Maturity	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
4-1-10	03-31-11	2.00%		$ 50,000.00		$ 50,000.00
4-6-09	03-31-10	3.15%	$ 100,000.00		$ 100,000.00	
			$ 100,000.00	$ 50,000.00	$ 100,000.00	$ 50,000.00

BOROUGH OF AUDUBON PARK
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Accrued	Received	Balance Dec. 31, 2010
Federal:				
Community Development Block Grant	$ 21,963.29	$ 19,655.00	$ 10,650.00	$ 30,968.29
Total Federal Programs	21,963.29	19,655.00	10,650.00	30,968.29
State:				
Clean Communities Grant		4,000.00	4,000.00	
Recycling Grant		558.33	558.33	
N.J. Department of Transportation Grant	145,000.00		91,524.94	53,475.06
Total State Programs	145,000.00	4,558.33	96,083.27	53,475.06
	$ 166,963.29	$ 24,213.33	$ 106,733.27	$ 84,443.35

Received in Cash	$ 106,733.27
Canceled	
	$ 106,733.27

Exhibit SA-16

FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Unappropriated
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Grants Receivable	Realized as Budget 2010 Revenue	Balance Dec. 31, 2010
Federal:				
Community Development Block Grant		$ 19,655.00	$ 19,655.00	
Total Federal Programs	-	19,655.00	19,655.00	-
State:				
Clean Communities Grant		4,000.00	4,000.00	
Recycling Grant	$ 1,548.36	558.33	1,548.36	$ 558.33
Total State Programs	1,548.36	4,558.33	5,548.36	558.33
	$ 1,548.36	$ 24,213.33	$ 25,203.36	$ 558.33

BOROUGH OF AUDUBON PARK
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Appropriated
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Transferred from 2010 Budget Appropriation	Decreased	Balance Dec. 31, 2010
Federal:				
Municipal Stormwater Regulation Program	2,191.00		$ 1,050.00	$ 1,141.00
Community Development Block Grant	$ 18,046.00	$ 19,655.00	18,521.50	19,179.50
	20,237.00	19,655.00	19,571.50	20,320.50
State:				
Clean Communities Grant	4,070.90	4,000.00	2,439.67	5,631.23
N.J. Department of Transportation Grant	145,000.00		144,215.75	784.25
Recycling Tonnage Grant	68.18	1,548.36	338.00	1,278.54
	149,139.08	5,548.36	146,993.42	7,694.02
	$ 169,376.08	$ 25,203.36	$ 166,564.92	$ 28,014.52

Disbursed	$ 158,066.59
Accounts Payable	8,498.33
	$ 166,564.92

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF AUDUBON PARK
ANIMAL CONTROL FUND
Statement of Trust Cash
PER N.J.S.40A:5-5--Treasurer
For the Year Ended December 31, 2010

	Animal Control		Other	
Balance Dec. 31, 2009		$ 655.42		$ 1,307.65
Increased by Receipts:				
Reserve for Animal Control Expenditures	$ 1,010.00			
State Registration Fees	285.60			
Contra	300.00			
Due Current Fund	1.48		$ 9.03	
Reserve for Multi-Purpose Facility Deposits			23,242.00	
		1,597.08		23,251.03
		2,252.50		24,558.68
Decreased by Disbursements:				
State Registration Fees	291.60			
Reserve for Animal Control Expenditures	1,600.00			
Due Current Fund			76.68	
Contra	300.00			
Reserve for Multi-Purpose Facility Deposits			22,679.05	
		2,191.60		22,755.73
Balance Dec. 31, 2010		$ 60.90		$ 1,802.95

BOROUGH OF AUDUBON PARK
ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Expenditures
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	$	562.38
Increased by:		
Receipts:		
Dog and Cat License Fees Collected		1,010.00
		1,572.38
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Disbursed		1,600.00
Balance (Deficit) Dec. 31, 2010	$	(27.62)

Dog License Fees Collected

Year		Amount
2008	$	772.80
2009		770.80
	$	1,543.60

Exhibit SB-3

BOROUGH OF AUDUBON PARK
ANIMAL CONTROL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		$ 87.04
Receipts:		
Interest Earned on Investments		1.48
Balance Dec. 31, 2010		$ 88.52

Exhibit SB-4

TRUST OTHER FUND
Statement of Reserve for Multi-Purpose Facility Deposits
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		$ 1,240.00
Increased by:		
Receipts		23,242.00
		24,482.00
Decreased by:		
Disbursements:		
To Current Fund as Miscellaneous Revenue	$ 13,619.05	
Refunds to Rental Deposit	9,060.00	
		22,679.05
Balance Dec. 31, 2010		$ 1,802.95

BOROUGH OF AUDUBON PARK
TRUST OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		$ 67.65
Increased by:		
Interest Earned on Investments	$ 9.03	
Rental of Municipal Facility	-	
		9.03
		76.68
Decreased by:		
Disbursements		76.68
Balance Dec. 31, 2010		$ -

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF AUDUBON PARK
GENERAL CAPITAL FUND
Analysis of General Capital Cash
For the Year Ended December 31, 2010

	Balance (Deficit) Dec. 31, 2009	Transfers From	Transfers To	Balance (Deficit) Dec. 31, 2010
Due Current Fund	$ (2,124.94)			$ (2,124.94)
Capital Fund Balance				
Capital Improvement Fund	1,950.00			1,950.00
Improvement Authorizations:				
2003-3 Purchase of Firehouse Doors and Reconstruction of Road "C"	174.94			174.94
	---	$ -	$ -	---

BOROUGH OF AUDUBON PARK
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Unfunded
For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	Funded by Budget Appropriation	2010 Authorizations	Balance Dec. 31, 2010	Analysis of Balance Dec. 31, 2010: Unexpended Improvement Authorizations	Analysis of Balance Dec. 31, 2010: Bond Anticipation Notes
2000-5	Repair of the School Roof	$ 20,000.00	$ 20,000.00				
2001-4	Acquisition of Fire Truck	100,000.00	20,000.00		$ 80,000.00		$ 80,000.00
		$ 120,000.00	$ 40,000.00	$ -	$ 80,000.00	$ -	$ 80,000.00

BOROUGH OF AUDUBON PARK
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2009 Funded	Balance Dec. 31, 2010 Funded
2003-3	Purchase of Firehouse Doors and Reconstruction of Road "C'"	03-23-03	$ 156,500.00	$ 174.94	$ 174.94

BOROUGH OF AUDUBON PARK
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date of Original Note Issue	Date of Issue of	Date of Maturity	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
2000-5	Repair of the School Roof	7-18-00	11-13-09	11-12-10	3.91%	$ 20,000.00		$ 20,000.00	
2001-4	Acquisition of Fire Truck	03-25-02	11-11-10	11-11-11	2.50%		$ 80,000.00		$ 80,000.00
2001-4	Acquisition of Fire Truck	03-25-02	11-13-09	11-12-10	3.91%	100,000.00		100,000.00	
						$ 120,000.00	$ 80,000.00	$ 120,000.00	$ 80,000.00
Paid by Budget Appropriation								$ 40,000.00	
Renewals							$ 80,000.00	80,000.00	
							$ 80,000.00	$ 120,000.00	

BOROUGH OF AUDUBON PARK

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010

BOROUGH OF AUDUBON PARK
Schedule of Findings and Recommendations
For the Year Ended December 31, 2010

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

BOROUGH OF AUDUBON PARK
Summary Schedule of Prior Year Audit Findings
And Questioned Costs 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

Finding No. 2009-1

Condition
Our audit of expenditures indicated the following:

1. Not all individuals receiving travel expense advances provided a detailed bill with a signed certification, within 10 days after their return.

Current Status
This condition has been resolved.

BOROUGH OF AUDUBON PARK
Officials in Office and Surety Bonds

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

Name	Title	Amount of Surety Bond
Lawrence Pennock	Mayor	(A,B)
Charles Beeman	President of Council	(A,B)
Frederick Passon	Councilman	(A,B)
Sandra Hook	Councilwoman	(A,B)
Gloria Jones	Councilwoman	(A,B)
Dennis Delengowski	Councilman	(A,B)
Karen Lewis	Councilwoman	(A,B)
Andrea Penny	Tax Collector, Deputy Registrar of Vital Statistics	(A,B)
Dawn Pennock	Deputy Treasurer, Borough Clerk, Registrar of Vital Statistics and Deputy Tax Collector	(A,B)
Debbie Stasulli	Treasurer	(A,B)
Dawn Thompson	Chief Financial Officer	(A,B)
Kate Sullivan	Librarian	(A,B)
Jean Turner	Librarian	(A,B)
Stuart Platt	Solicitor	
Remington & Vernick	Engineer	

(A) $50,000.00 of coverage with a $1,000.00 deductible through the Camden County Joint Insurance Fund.
.

(B) $950,000.00 of coverage through the Camden County Municipal Excess Liability Pool.

10300

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
Certified Public Accountants
& Consultants

Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant