

**BOROUGH OF AUDUBON PARK
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR 2011**



BOROUGH OF AUDUBON PARK
TABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
	<u>PART 1</u>	
	Independent Auditor's Report	2
	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	4
	<u>CURRENT FUND</u>	
A	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	6
A-1	Statement of Operations and Changes in Fund Balance-- Regulatory Basis	8
A-2	Statement of Revenues--Regulatory Basis	10
A-3	Statement of Expenditures--Regulatory Basis	12
	<u>TRUST FUND</u>	
B	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	16
	<u>GENERAL CAPITAL FUND</u>	
C	Statement of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	17
	<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>	
D	Statement of General Fixed Asset Group of Accounts	18
	Notes to Financial Statements	19
	<u>SUPPLEMENTAL EXHIBITS</u>	
	<u>CURRENT FUND</u>	
SA-1	Statement of Current Cash per N.J.S.A.40A:5-5—Chief Financial Officer	32
SA-2	Statement of Petty Cash Funds	33
SA-3	Statement of Taxes Receivable and Analysis of Property Tax Levy	34
SA-4	Statement of Revenue Accounts Receivable	35
SA-5	Statement of Deferred Charges	35
SA-6	Statement of Deferred Charges--N.J.S.A.40A:5-55 Special Emergency— Revaluation Program	36
SA-7	Statement of 2010 Appropriation Reserves	37
SA-8	Statement of Due from State of New Jersey--Veterans' and Senior Citizens' Deductions	38
SA-9	Statement of Due to State of New Jersey Division of Youth and Family Services	38

BOROUGH OF AUDUBON PARK
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
<u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND (CONT'D)</u>		
SA-10	Statement of Payroll Deductions Payable	39
SA-11	Statement of Reserve for the Expense of Participation in Free County Library with State Aid	39
SA-12	Statement of Consolidated School District Tax	40
SA-13	Statement of County Taxes Payable	40
SA-14	Statement of Tax Anticipation Notes	41
SA-15	Federal and State Grant Fund--Statement of Federal and State Grants Receivable	42
SA-16	Federal and State Grant Fund--Statement of Reserve for Federal And State Grants--Unappropriated	42
SA-17	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Appropriated	43
<u>TRUST FUND</u>		
SB-1	Animal Control Fund--Statement of Trust Cash Per N.J.S.40A:5-5--Treasurer	45
SB-2	Animal Control Fund--Statement of Reserve for Animal Control Expenditures	46
SB-3	Animal Control Fund--Statement of Due to Current Fund	47
SB-4	Trust Other Fund--Statement of Reserve for Multi-Purpose Facility Deposits	47
SB-5	Trust Other Fund--Statement of Due to Current Fund	48
<u>GENERAL CAPITAL FUND</u>		
SC-1	Analysis of General Capital Cash	50
SC-2	Statement of Deferred Charges to Future Taxation--Unfunded	51
SC-3	Statement of Capital Improvement Fund	52
SC-4	Statement of Due from/to Current Fund	52
SC-5	Statement of Improvement Authorizations	53
SC-6	Statement of Bond Anticipation Notes	54
<u>PART 2</u>		
	Schedule of Findings and Recommendations	
	Schedule of Financial Statement Findings	56
	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	58
	OFFICIALS IN OFFICE AND SURETY BONDS	59
	APPRECIATION	60

BOROUGH OF AUDUBON PARK
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011 and 2010, 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, 2011. 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.

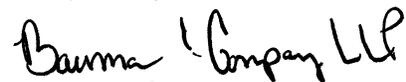
In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with 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, 2011 and 2010, 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, 2011 and 2010, 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, 2011 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.

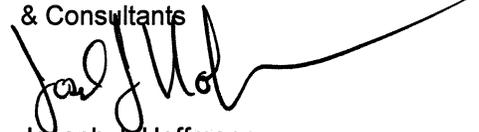
In accordance with Government Auditing Standards, we have also issued our report dated February 23, 2012 on our consideration of the Borough of Audubon Park, in the County of Camden, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 considered 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's basic financial statements as a whole. The supplemental 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, and are not a required part of the basic financial statements. The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
February 23, 2012

**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, 2011, and have issued our report thereon dated February 23, 2012, 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

Management of the Borough of Audubon Park is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough'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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Recommendations, we identified one deficiency in internal control over financial reporting that we consider to be a material weakness and one other deficiency that we consider to be a significant deficiency.

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. We consider finding number 2011-1, as described in the accompanying Schedule of Findings and Recommendations, to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding number 2011-2 as described in the accompanying Schedule of Findings and Recommendations to be a significant deficiency.

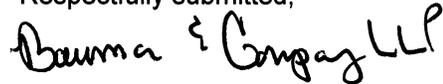
Compliance and Other Matters

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 instances of noncompliance or other matters 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 which are described in the accompanying Schedule of Findings and Recommendations as findings number 2011-1 and 2011-2.

The Borough of Audubon Park's responses to the findings identified in our report are described in the accompanying Schedule of Findings and Recommendations. We did not audit the Borough of Audubon Park's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management of the Borough, others within the Borough, the Division of Local Government Services, Department of Community Affairs, 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
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
February 23, 2012

BOROUGH OF AUDUBON PARK
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Regular Fund:			
Cash	SA-1	\$ 131,341.39	\$ 97,983.07
		<u>131,341.39</u>	<u>97,983.07</u>
Receivables with Full Reserves:			
Due from Animal Control Fund	SB-3	61.49	88.52
Due from Federal and State Grant	SA-1; SA-15; SA-17		47,372.17
Due from General Capital Fund	SC-4	26,544.20	
Due Trust - Other Fund	SB-5	7.19	
		<u>26,612.88</u>	<u>47,460.69</u>
Deferred Charges:			
Special Emergency Authorizations	SA-6	5,988.00	8,982.00
Cancellation of Federal Grant	SA-5	11,882.12	
Emergency Appropriation	SA-5	9,500.00	6,550.00
		<u>27,370.12</u>	<u>15,532.00</u>
		<u>185,324.39</u>	<u>160,975.76</u>
Federal and State Grant Fund:			
Due Current Fund	SA-1; SA-15; SA-17	10,431.64	
Grants Receivable	SA-15	14,142.89	84,443.35
		<u>24,574.53</u>	<u>84,443.35</u>
		<u>\$ 209,898.92</u>	<u>\$ 245,419.11</u>

(Continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3; SA-7	\$ 4,254.16	\$ 10,905.71
Reserve for Encumbrances	A-3	4,550.79	1,179.49
Reserve for the Expense of Participation in Free County Library with State Aid	SA-11	287.00	
Consolidated School Taxes Payable	SA-12	47,661.58	
Prepaid Taxes	SA-1	12,763.40	
Payroll Deductions Payable	SA-10	3,442.71	2,649.94
Tax Anticipation Note	SA-14	50,000.00	50,000.00
Due Federal and State Grant Fund	SA-1; SA-15; SA-17	10,431.64	
Due to General Capital Fund	SC-4		2,124.94
		<u>133,391.28</u>	<u>66,860.08</u>
Reserves for Receivables and Other Assets		26,612.88	47,460.69
Fund Balance	A-1	<u>25,320.23</u>	<u>46,654.99</u>
		<u>185,324.39</u>	<u>160,975.76</u>
Federal and State Grant Fund:			
Due Current Fund	SA-1; SA-15; SA-17		47,372.17
Unappropriated Reserves	SA-16		558.33
Accounts Payable	SA-1		8,498.33
Appropriated Reserves	SA-17	24,574.53	28,014.52
		<u>24,574.53</u>	<u>84,443.35</u>
		<u>\$ 209,898.92</u>	<u>\$ 245,419.11</u>

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance	\$ 26,865.14	\$ 26,000.00
Miscellaneous Revenues Anticipated	292,196.98	298,838.75
Receipts from Current Taxes	951,737.18	904,058.03
Non-Budget Revenue	12,989.81	15,910.51
Other Credits to Income:		
Due Federal and State Grant Fund	7,372.17	
Liquidation of Reserve for Interfunds	27.03	66.17
Unexpended Balance of Appropriation Reserves	9,038.07	2,326.08
	1,300,226.38	1,247,199.54
Total Income		
<u>Expenditures</u>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	74,137.08	84,937.08
Other Expenses	217,583.08	186,037.08
Deferred Charges and Statutory Expenditures	16,290.62	11,926.48
Excluded from "CAPS":		
Operations:		
Salaries and Wages	11,000.00	
Other Expenses	472,762.33	497,760.36
Capital Improvements--Excluded from "CAPS"	6,800.00	6,550.00
Municipal Debt Service--Excluded from "CAPS"	43,000.00	47,884.14
Deferred Charges and Statutory Expenditures	9,544.00	8,994.00
Local District School Tax	258,003.89	188,676.00
County Taxes	166,804.50	153,589.95
Refund of Prior Year Revenue	1,719.11	
Cancellation of Grants Receivable		2,627.61
Creation of Reserve for:		
Due General Capital Fund	26,544.20	
Due Trust Other Fund	7.19	9.03
Due Federal and State Grant Fund		47,372.17
	1,304,196.00	1,236,363.90
Total Expenditures		
Excess (Deficit) in Revenues (Carried Forward)	(3,969.62)	10,835.64

(continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Excess (Deficit) in Revenues (Brought Forward)	\$ (3,969.62)	\$ 10,835.64
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>9,500.00</u>	<u>6,550.00</u>
Statutory Excess to Fund Balance	5,530.38	17,385.64
<u>Fund Balance</u>		
Balance Jan. 1	<u>46,654.99</u>	<u>55,269.35</u>
	52,185.37	72,654.99
Decreased by:		
Utilized as Revenue	<u>26,865.14</u>	<u>26,000.00</u>
Balance Dec. 31	<u>\$ 25,320.23</u>	<u>\$ 46,654.99</u>

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, 2011

	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A: 4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 26,865.14	---	\$ 26,865.14	---
Miscellaneous Revenues:				
Rental of Municipal Facility	13,600.00		10,000.00	\$ (3,600.00)
Rental of Old School House	42,000.00		41,000.00	(1,000.00)
Consolidated Municipal Property Tax Relief Act	41,334.00		41,334.00	
Energy Receipts Tax	61,689.00		61,689.00	
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 -- Trash Disposal	38,500.00		34,032.25	(4,467.75)
Interlocal Service Agreement -- Trash Removal	49,000.00		49,000.00	
Interlocal Service Agreement -- Tax Collector's Services	11,000.00		10,583.40	(416.60)
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	558.33		558.33	
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: Due from Federal and State Grant Fund	40,000.00		40,000.00	
	297,681.33	4,000.00	292,196.98	(9,484.35)
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes	514,070.64	---	514,267.46	196.82
Budget Totals	838,617.11	4,000.00	833,329.58	(9,287.53)
Non-Budget Revenue	---	---	12,989.81	12,989.81
	\$ 838,617.11	\$ 4,000.00	\$ 846,319.39	\$ 3,702.28

(Continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2011

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections		\$ 951,737.18
Allocated to:		
County and School Taxes		437,469.72
Amount for Support of Municipal Budget Appropriations		<u>514,267.46</u>

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Revenue Accounts Receivable:		
Interest on Investments	\$ 155.78	
Licenses -- Clerk	35.00	
Licenses -- Registrar	<u>15.00</u>	
		\$ 205.78
Franchise Fees		11,720.12
Due from Trust Other Fund		7.19
Due from Animal Control Fund		<u>0.59</u>
		11,933.68
Sale of Recycling Buckets	8.50	
Library Donations	19.00	
Refund of Prior Year Expenditures	392.83	
Veterans and Senior Citizens Administration Fee	<u>635.80</u>	
		<u>1,056.13</u>
		<u>\$ 12,989.81</u>

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, 2011

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS"</u>					
<u>General Government</u>					
Administrative and Executive					
Salaries and Wages	\$ 41,370.00	\$ 43,570.00	\$ 43,507.11	\$ 62.89	
Other Expenses	10,800.00	8,400.00	8,324.57	75.43	
Mayor and Council					
Other Expenses	7,000.00	7,020.00	7,018.78	1.22	
Election					
Other Expenses	900.00	900.00	880.41	19.59	
Financial Administration					
Salaries and Wages	17,585.08	17,585.08	17,585.08	-	
Other Expenses	13,050.00	15,049.00	15,049.00	-	
Audit Services	9,700.00	9,700.00	9,700.00	-	
Assessment of Taxes					
Other Expenses	1,106.08	1,106.08	1,106.08	-	
Collection of Taxes					
Salaries and Wages	2,000.00	2,001.00	2,000.02	0.98	
Legal Services and Costs					
Other Expenses	10,000.00	13,200.00	13,177.12	22.88	
Public Employees Award Program					
Other Expenses	175.00	175.00	-	175.00	
Engineering Services and Costs					
Other Expenses	3,000.00	3,800.00	3,796.85	3.15	
Insurance					
Workers Compensation	10,030.00	10,030.00	10,029.90	0.10	
Group Insurance for Employees	15,000.00	14,700.00	14,661.36	38.64	
Other Insurance	14,400.00	13,700.00	13,656.93	43.07	
Unemployment Compensation	600.00	100.00	35.13	64.87	
<u>Public Safety</u>					
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	5,317.00	5,289.31	27.69	
Aid to Volunteer Fire Company					
Other Expenses	12,000.00	11,300.00	11,256.21	43.79	
<u>Streets and Roads</u>					
Public Buildings and Grounds					
Other Expenses (Emergency \$7,000.00)	31,000.00	39,600.00	39,565.19	34.81	

(Continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>					
<u>Health and Welfare</u>					
Board of Health					
Salaries and Wages	\$ 2,100.00	1,400.00	\$ 1,080.00	\$ 320.00	
Other Expenses	300.00	300.00	-	300.00	
Dog Regulation					
Other Expenses	6,300.00	7,136.00	7,135.45	0.55	
<u>Recreation and Education</u>					
Parks and Playgrounds					
Other Expenses	3,000.00	2,375.00	2,354.49	20.51	
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	3,000.00	3,000.00	2,803.61	196.39	
Expenses of Participation in Free					
County Library					
Salaries and Wages	10,315.00	8,280.00	8,180.95	99.05	
Other Expenses	2,550.00	1,750.00	1,682.53	67.47	
Courtesy Busing					
Other Expenses	34,000.00	34,000.00	33,875.60	124.40	
Senior Citizens					
Salaries and Wages	1,800.00	1,300.00	1,156.00	144.00	
Other Expenses	50.00	50.00	48.50	1.50	
<u>Unclassified</u>					
Maintenance of Equipment	6,000.00	6,000.00	5,857.44	142.56	
Telephone	6,500.00	4,800.00	4,735.36	64.64	
Cable and Internet Access	1,500.00	1,500.00	1,201.36	298.64	
Street Lighting	1,200.00	75.00	65.74	9.26	
Total Operations--Within "CAPS"	<u>286,349.16</u>	<u>291,720.16</u>	<u>289,316.08</u>	<u>2,404.08</u>	-
Detail:					
Salaries and Wages	75,171.08	74,137.08	73,509.16	627.92	-
Other Expenses	<u>211,178.08</u>	<u>217,583.08</u>	<u>215,806.92</u>	<u>1,776.16</u>	-
<u>DEFERRED CHARGES AND STATUTORY</u>					
<u>EXPENDITURES --MUNICIPAL--WITHIN "CAPS"</u>					
Deferred Charges:					
Deficit in Reserve for Animal Control Expenditures	27.62	27.62	27.62	-	
Statutory Expenditures:					
Public Employee Retirement System	7,738.00	7,738.00	7,738.00	-	
Social Security System (O.A.S.I.)	<u>6,900.00</u>	<u>8,525.00</u>	<u>8,510.77</u>	<u>14.23</u>	
Total Deferred Charges and Statutory					
Expenditures--Municipal--Within "CAPS"	<u>14,665.62</u>	<u>16,290.62</u>	<u>16,276.39</u>	<u>14.23</u>	-
Total General Appropriations for Municipal					
Purposes Within--"CAPS"	<u>301,014.78</u>	<u>308,010.78</u>	<u>305,592.47</u>	<u>2,418.31</u>	-

(Continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Reserved</u>	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Shared Municipal Service Agreements:					
Garbage and Trash Removal					
Other Expenses	\$ 50,700.00	\$ 50,700.00	\$ 50,568.00	\$ 132.00	
Garbage and Trash Disposal					
Other Expenses	37,500.00	37,500.00	35,796.15	1,703.85	
Tax Collector -- Haddon Township					
Salary and Wages	11,000.00	11,000.00	11,000.00	-	
Police Services - Borough of Audubon					
Contracted Services	380,000.00	380,004.00	380,004.00	-	
	<u>479,200.00</u>	<u>479,204.00</u>	<u>477,368.15</u>	<u>1,835.85</u>	
Total Shared Municipal Agreements - Excluded from "CAPS"					
	<u>479,200.00</u>	<u>479,204.00</u>	<u>477,368.15</u>	<u>1,835.85</u>	
<u>Public and Private Programs Off-set by Revenues</u>					
Recycling Tonnage Grant	558.33	558.33	558.33	-	
Clean Communities Grant (40A:4-87 \$4,000.00+)		4,000.00	4,000.00	-	
	<u>558.33</u>	<u>4,558.33</u>	<u>4,558.33</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs --Excluded from "CAPS"					
	<u>558.33</u>	<u>4,558.33</u>	<u>4,558.33</u>	<u>-</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>479,758.33</u>	<u>483,762.33</u>	<u>481,926.48</u>	<u>1,835.85</u>	<u>-</u>
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u>					
Detail:					
Salaries and Wages	11,000.00	11,000.00	11,000.00	-	-
Other Expenses	468,758.33	472,762.33	470,926.48	1,835.85	-
	<u>479,758.33</u>	<u>483,762.33</u>	<u>481,926.48</u>	<u>1,835.85</u>	<u>-</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Down Payment on Improvements (Emergency \$2,500.00)		2,500.00	2,500.00	-	
Capital Improvement Fund	4,300.00	4,300.00	4,300.00	-	-
	<u>4,300.00</u>	<u>6,800.00</u>	<u>6,800.00</u>	<u>-</u>	<u>-</u>
Total Capital Improvements					
	<u>4,300.00</u>	<u>6,800.00</u>	<u>6,800.00</u>	<u>-</u>	<u>-</u>
<u>MUNICIPAL DEBT SERVICE</u>					
Bond and Note Principal	40,000.00	40,000.00	40,000.00	-	-
Interest on Notes	4,000.00	4,000.00	3,000.00	-	\$ 1,000.00
	<u>44,000.00</u>	<u>44,000.00</u>	<u>43,000.00</u>	<u>-</u>	<u>1,000.00</u>
Total Debt Service					
	<u>44,000.00</u>	<u>44,000.00</u>	<u>43,000.00</u>	<u>-</u>	<u>1,000.00</u>

(Continued)

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Paid or Charged</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Reserved</u>	<u>Canceled</u>
DEFERRED CHARGES					
Emergency Authorizations	\$ 6,550.00	\$ 6,550.00	\$ 6,550.00	-	
Special Emergency Authorizations (40A: 4-55)	2,994.00	2,994.00	2,994.00	-	
Total Deferred Charges	<u>9,544.00</u>	<u>9,544.00</u>	<u>9,544.00</u>		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>537,602.33</u>	<u>544,106.33</u>	<u>541,270.48</u>	\$ 1,835.85	\$ 1,000.00
Total General Appropriations:	<u>\$ 838,617.11</u>	<u>\$ 852,117.11</u>	<u>\$ 846,862.95</u>	<u>\$ 4,254.16</u>	<u>\$ 1,000.00</u>
Budget		\$ 838,617.11			
Emergency Appropriation by 40A:4-47		9,500.00			
Appropriation by 40A:4-87		<u>4,000.00</u>			
		<u>\$ 852,117.11</u>			
Refunds			\$ (19,484.51)		
Payroll Deductions Payable			43,831.09		
Reserve for Encumbrances			4,550.79		
Due to Animal Control Trust Fund			27.62		
Due to General Capital Fund			6,800.00		
Deferred Charges			9,544.00		
Reserve for Federal and State Grants--Appropriated			4,558.33		
Disbursed			<u>797,035.63</u>		
			<u>\$ 846,862.95</u>		

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, 2011 and 2010

<u>ASSETS</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Animal Control Fund:			
Cash	SB-1	\$ 484.09	\$ 60.90
Deficit in Reserve for Animal Control Expenditures	SB-2	_____	_____
		484.09	88.52
		_____	_____
Other Funds:			
Cash	SB-1	_____	_____
		4,280.14	1,802.95
		_____	_____
		\$ 4,764.23	\$ 1,891.47
		_____	_____
		_____	_____
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Animal Control Fund:			
Due Current Fund	SB-3	\$ 61.49	\$ 88.52
Due to State of New Jersey	SB-1	1.20	-
Reserve for Animal Control Fund Expenditures	SB-2	_____	_____
		421.40	-
		_____	_____
		484.09	88.52
		_____	_____
Other Funds:			
Reserve for Multi-Purpose Facility Deposits	SB-4	4,272.95	1,802.95
Due to Current Fund	SB-5	_____	_____
		7.19	-
		_____	_____
		4,280.14	1,802.95
		_____	_____
		\$ 4,764.23	\$ 1,891.47
		_____	_____
		_____	_____

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, 2011 and 2010

<u>ASSETS</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Deferred Charges to Future Taxation:			
Unfunded	SC-2	\$ 206,250.00	\$ 80,000.00
Due from Current Fund	SC-4	<u> </u>	<u>2,124.94</u>
		<u>\$ 206,250.00</u>	<u>\$ 82,124.94</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Bond Anticipation Notes	SC-6	\$ 158,750.00	\$ 80,000.00
Due to Current Fund	SC-4	26,544.20	
Improvement Authorizations:			
Funded	SC-5		174.94
Unfunded	SC-5	20,955.80	
Capital Improvement Fund	SC-3	<u> </u>	<u>1,950.00</u>
		<u>\$ 206,250.00</u>	<u>\$ 82,124.94</u>

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, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
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	\$ 125,087.99		225,087.99
Fire Truck	132,900.00			132,900.00
Hockey Rink	42,414.00			42,414.00
Computers		12,005.05		12,005.05
Playground Equipment & Basketball Courts	37,063.78	52,461.44	\$ 7,875.12	81,650.10
Baseball Field Fencing	21,485.00			21,485.00
Total General Fixed Assets	<u>709,461.15</u>	<u>189,554.48</u>	<u>7,875.12</u>	<u>891,140.51</u>
Total Investments in General Fixed Assets	<u>\$ 709,461.15</u>	<u>\$ 189,554.48</u>	<u>\$ 7,875.12</u>	<u>\$ 891,140.51</u>

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, 2011

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 2010 federal census reported the population to be 1,023.

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 Balance included in the current fund represents an amount that is available for anticipation as revenue in future year's 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 municipality 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 July 1 to June 30, increased by the amount deferred at December 31, 2010 and decreased by the amount deferred at December 31, 2011.

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

County Taxes - The municipality 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 (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition.

As of December 31, 2011, all of the Borough's, bank balances of \$136,735.49 were 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

	<u>2011(A)</u>	<u>2010(A)</u>	<u>2009(A)</u>	<u>2008</u>	<u>2007</u>
Tax Rate	<u>\$4.104</u>	<u>\$3.885</u>	<u>\$3.376</u>	<u>\$7.987</u>	<u>\$7.192</u>
Apportionment of Tax Rate:					
Municipal	\$2.216	\$2.170	\$2.180	\$5.113	\$5.162
County	.721	.661	.624	.653	.714
Local School	1.167	1.054	.572	2.221	1.316

Assessed Valuation

2011 (A)	\$23,190,477.00
2010 (A)	23,270,477.00
2009 (A)	23,160,576.00
2008	9,387,705.00
2007	9,300,056.00

(A) Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2011	\$951,737.18	\$951,737.18	100.00%
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%

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.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2011(A)	\$25,320.23	(A)	(A)
2010	46,654.99	\$26,865.14	58.53%
2009	55,269.35	26,000.00	47.04%
2008	49,465.37	---	---
2007	99,868.61	21,000.89	21.02%

(A) The 2012 Budget has not been introduced.

Note 5: **INTERFUND RECEIVABLES AND PAYABLES**

The following inter-fund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2011:

<u>Fund</u>	<u>Inter-funds Receivable</u>	<u>Inter-funds Payable</u>
Current Fund	\$27,339.30	-----
Trust-- Other Funds	-----	\$7.19
Trust – Animal Control	-----	61.49
General Capital Fund	-----	26,544.20
Federal and State Grant Fund	-----	726.42
	<u>\$27,339.30</u>	<u>\$27,339.30</u>

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. This 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**

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. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. 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:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Funded by State</u>	<u>Paid by Borough</u>
2011	\$3,319.00	\$4,419.00	\$7,738.00	---	---	\$7,738.00
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

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

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 SHBP'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, 2011, 2010 and 2009, were \$14,661.36, \$16,966.69 and \$16,381.29, respectively, which equaled the required contributions for each year. There was one retired participant eligible at December 31, 2011, 2010 and 2009.

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, 2011, 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:

<u>Year</u>	<u>Amount</u>
2012	\$1,067.40
2013	604.55

Rental payments under operating leases for the year 2011 were \$1,067.40.

Note 10: **CAPITAL DEBT**

Summary of Debt

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$158,750.00	\$80,000.00	\$120,000.00
Total Issued	158,750.00	80,000.00	120,000.00
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	47,500.00	-----	-----
Total Authorized but Not Issued	47,500.00	-----	-----
Total Issued and Authorized but Not Issued	206,250.00	80,000.00	120,000.00
Net Debt	\$206,250.00	\$80,000.00	\$120,000.00

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 1.09%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Consolidated School District	-----	-----	-----
General	\$206,250.00	-----	\$206,250.00
	\$206,250.00	-----	\$206,250.00

Net Debt \$206,250.00 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$18,994,067.33 equals 1.09%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$664,792.35
Net Debt	206,250.00
Remaining Borrowing Power	\$458,542.35

The above information is in agreement with the Annual Debt Statement.

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, 2011, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the current fund:

	<u>Balance Dec. 31, 2011</u>	<u>2012 Budget Appropriation</u>
Special Emergency Authorizations	\$5,988.00	\$2,994.00
Cancellation of Federal Grant	11,882.12	----
Emergency Authorizations	9,500.00	9,500.00

The appropriations in the 2012 Budget as proposed are not less than that required by the statutes.

Note 12: **SCHOOL TAXES**

The 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:

	<u>Balance Dec. 31,</u>	
	<u>2011</u>	<u>2010</u>
Balance of Tax	\$182,994.19	\$122,671.28
Deferred	135,332.61	122,671.28
School Taxes Payable	<u>\$47,661.58</u>	<u>-----</u>

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

Note 13: **JOINT INSURANCE POOL (CONT'D)**

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, 2011, 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 was being leased to "Tippie Toes" day care school. The lease for the five year period ended on December 31, 2011. That lease provided for rental payments as follows:

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

Currently the facility continues to be occupied by the same tenant and rental fees are being paid at the same rate as in 2011 however, on a monthly basis. A new agreement is currently under negotiation. Revenue received from this lease 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

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, 2011

	<u>Regular</u>		<u>Federal and State</u> <u>Grant Fund</u>
Balance Dec. 31, 2010	\$	97,983.07	
Increased by Receipts:			
Interlocal Service Agreement -- Trash	\$	83,032.25	
Interlocal Service Agreement -- Tax Collector		10,583.40	
Tax Collector -- 2010 Taxes Receivable		919,946.94	
Prepaid 2012 Taxes		12,763.40	
Due from State of New Jersey		31,790.24	
Revenue Accounts Receivable		11,925.90	
Due State of New Jersey --DYFS		150.00	
Energy Receipts Tax		61,689.00	
Consolidated Municipal Purposes Tax Relief Aid		41,334.00	
Budget Refunds		19,484.51	
Reserve for Participation in Free County Library		287.00	
Petty Cash Funds--Contra		200.00	
Proceeds from Tax Anticipation Note		50,000.00	
Miscellaneous Revenue not Anticipated		1,056.13	
Rental of Old School House		41,000.00	
Rental of Municipal Facilities		10,000.00	
Due Federal and State Grant Fund		45,921.69	
Due to General Capital Fund		163,750.00	
Contra		41,058.26	
Federal and State Grants Receivable			<u>57,447.23</u>
		<u>1,545,972.72</u>	<u>57,447.23</u>
		1,643,955.79	57,447.23
Decreased by Disbursements:			
2011 Appropriations	797,035.63		
2010 Appropriation Reserves	3,047.13		
Payroll Deductions Payable	43,038.32		
County Taxes Payable	166,804.50		
Tax Anticipation Notes	50,000.00		
Local District School Taxes Payable	210,342.31		
Due State of New Jersey --DYFS	150.00		
Refund of Prior Year Revenue	1,719.11		
Due Current Fund			45,921.69
Due to General Capital Fund	199,219.14		
Petty Cash Funds--Contra	200.00		
Contra	41,058.26		
Accounts Payable			8,498.33
Federal and State Grants--Appropriated			<u>3,027.21</u>
		<u>1,512,614.40</u>	<u>57,447.23</u>
Balance Dec. 31, 2011	\$	<u>131,341.39</u>	\$ <u>-</u>

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Petty Cash Funds
For the Year Ended December 31, 2011

<u>Office</u>	Received from <u>Treasurer</u>	Returned to <u>Treasurer</u>
Borough Clerk	\$ <u>200.00</u>	\$ <u>200.00</u>

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2011

<u>Year</u>	<u>2011 Levy</u>	<u>2010</u>	<u>Collections</u> <u>2011</u>	<u>Due from</u> <u>State of</u> <u>New Jersey</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
2011	<u>\$ 951,737.18</u>	<u>---</u>	<u>\$ 919,946.94</u>	<u>\$ 31,790.24</u>	<u>\$ -</u>

Analysis of 2011 Property Tax Levy

Tax Yield

General Purpose Tax	<u>\$ 951,737.18</u>
---------------------	----------------------

Tax Levy

Local School Tax	\$ 270,665.22
County Taxes:	
County Tax	\$ 152,271.30
County Library Tax	9,849.29
County Open Space Tax	<u>4,683.91</u>
Total County Taxes	166,804.50
Local Tax for Municipal Purposes	514,070.64
Add: Additional Tax Levied	<u>196.82</u>
Local Tax for Municipal Purposes Levied	<u>514,267.46</u>
	<u>\$ 951,737.18</u>

BOROUGH OF AUDUBON PARK
CURRENT FUND
 Statement of Revenue Accounts Receivable
 For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued</u> <u>in 2011</u>	<u>Canceled</u>	<u>Realized</u> <u>in 2011</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Clerk:					
Fees and Permits		\$ 35.00		\$ 35.00	
Licenses		-		-	
Registrar of Vital Statistics:					
Licenses		15.00		15.00	
Fees and Permits		-		-	
Verizon Franchise Fee.		3,587.52		3,587.52	
Comcast Cable Franchise Fee		8,132.60		8,132.60	
Interest on Investments		163.56		163.56	
	<u>\$ -</u>	<u>\$ 11,933.68</u>	<u>\$ -</u>	<u>\$ 11,933.68</u>	<u>\$ -</u>
Due from Trust Other Fund				\$ 7.19	
Due from Animal Control Fund				0.59	
Collections				11,925.90	
				<u>\$ 11,933.68</u>	

CURRENT FUND
 Statement of Deferred Charges
 For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued</u> <u>in 2011</u>	<u>Raised</u> <u>in 2011</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Emergency Appropriation	\$ 6,550.00	\$ 9,500.00	\$ 6,550.00	\$ 9,500.00
Cancellation of Federal Grant Receivable		11,882.12		11,882.12
	<u>\$ 6,550.00</u>	<u>\$ 21,382.12</u>	<u>\$ 6,550.00</u>	<u>\$ 21,382.12</u>

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, 2011

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2010</u>	<u>Raised in 2011 Budget</u>	<u>Balance Dec. 31, 2011</u>
10/07/08	Reassessment Program	\$ 14,970.00	\$ 2,994.00	<u>\$ 8,982.00</u>	<u>\$ 2,994.00</u>	<u>\$ 5,988.00</u>

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>		<u>Adjusted</u> <u>Balance</u>	<u>Disbursed</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
Appropriations Within "CAPS"					
Administrative and Executive					
Salaries and Wages		\$ 166.97	\$ 166.97		\$ 166.97
Other Expenses		3.31	3.31		3.31
Mayor and Council					
Other Expenses		15.68	15.68		15.68
Election					
Other Expenses		86.18	86.18		86.18
Financial Administration					
Salaries and Wages		375.95	375.95		375.95
Other Expenses		199.00	199.00	\$ 143.98	55.02
Legal Services and Costs					
Other Expenses		872.58	872.58	337.12	535.46
Engineering Services and Costs					
Other Expenses		98.20	98.20		98.20
Insurance					
Group Insurance for Employees		833.31	833.31		833.31
Other Insurance Premiums		388.94	388.94		388.94
Unemployment Compensation		110.98	110.98		110.98
Public Buildings and Grounds					
Other Expenses		199.18	199.18	199.18	-
Office of Emergency Management					
Salaries and Wages		1.00	1.00		1.00
Other Expenses		95.83	95.83		95.83
Board of Health					
Salaries and Wages		200.00	200.00		200.00
Other Expenses		62.50	62.50		62.50
Dog Regulation					
Other Expenses		290.66	290.66		290.66
Parks and Playgrounds					
Other Expenses		2.14	2.14		2.14
Senior Citizens					
Salaries and Wages		750.00	750.00		750.00
Other Expenses		50.00	50.00	16.46	33.54
Celebration of Public Event, Anniversary or Holiday					
Other Expenses		27.37	27.37		27.37
Expenses of Participation in Free County Library					
Salaries and Wages		15.00	15.00		15.00
Other Expenses		76.27	76.27		76.27
Courtesy Busing					
Other Expenses		66.40	66.40		66.40
Unclassified					
Maintenance of Equipment		40.17	40.17		40.17
Telephone		18.18	18.18		18.18
Cable and Internet Access		164.29	164.29		164.29
Street Lighting		1,170.90	1,170.90	1,170.90	-
Statutory Expenditures					
Social Security System (O.A.S.I.)	\$ 1,179.49	32.04	1,211.53	1,179.49	32.04
Appropriations Excluded from "CAPS"					
Garbage and Trash Disposal					
Other Expenses		4,106.68	4,106.68		4,106.68
Garbage and Trash Removal					
Other Expenses		376.00	376.00		376.00
Police Services					
Contractual		10.00	10.00		10.00
	<u>\$ 1,179.49</u>	<u>\$ 10,905.71</u>	<u>\$ 12,085.20</u>	<u>\$ 3,047.13</u>	<u>\$ 9,038.07</u>

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, 2011

Balance December 31, 2010	\$ -
Increased by:	
2011 Veterans` and Senior Citizens` Deductions Per Billings	31,790.24
	31,790.24
Decreased by:	
Collections	31,790.24
	31,790.24
Balance December 31, 2011	\$ -

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, 2011

Balance December 31, 2010	\$ -
Collections	150.00
	150.00
Decreased by:	
Disbursements	150.00
	150.00
Balance December 31, 2011	\$ -

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2011

Balance December 31, 2010	\$	2,649.94
Increased by:		
Payroll Deductions		43,831.09
		46,481.03
Decreased by:		
Disbursements		43,038.32
Balance December 31, 2011	\$	3,442.71

Analysis of Balance December 31, 2011

Public Employees Retirement System	\$	779.27
Internal Revenue Service -- Withholding Tax and Social Security		2,296.70
New Jersey Gross Income Tax and Unemployment and Disability		366.74
	\$	3,442.71

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, 2011

Balance December 31, 2010	\$	-
Increased by:		
Receipts		287.00
		287.00
Decreased by:		
Disbursements		-
Balance December 31, 2011	\$	287.00

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Consolidated School District Tax
For the Year Ended December 31, 2011

Balance December 31, 2010		
School Tax Payable	\$	-
School Tax Deferred		122,671.28
		122,671.28
		\$ 122,671.28
Increased by:		
Levy--School Year July 1, 2011 to June 30, 2012		270,665.22
		393,336.50
Decreased by:		
Payments		210,342.31
Balance December 31, 2011		
School Tax Payable	47,661.58	
School Tax Deferred	135,332.61	
		182,994.19
		\$ 182,994.19
2011 Liability for Consolidated School District Tax:		
Tax Paid		\$ 210,342.31
Add: Tax Payable 12-31-11		47,661.58
		258,003.89
Less: Tax Payable 12-31-10		-
Amount Charged to 2011 Operations		\$ 258,003.89

Exhibit SA-13

CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2011

Levy:		
County Tax	\$	152,271.30
County Library Tax		9,849.29
County Open Space Tax		4,683.91
		166,804.50
		\$ 166,804.50
Decreased by:		
Payments		\$ 166,804.50

BOROUGH OF AUDUBON PARK
CURRENT FUND
Statement of Tax Anticipation Notes
For the Year Ended December 31, 2011

<u>Date of Issue of</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
4-1-10	03-31-11	2.00%	\$ 50,000.00		\$ 50,000.00	
4-1-11	03-31-11	3.00%		\$ 50,000.00		\$ 50,000.00
			<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>

BOROUGH OF AUDUBON PARK
FEDERAL AND STATE GRANT FUND
 Statement of Federal and State Grants Receivable
 For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Federal:</u>				
N.J. Department of Transportation Grant	\$ 53,475.06		\$ 53,475.06	
Community Development Block Grant	<u>30,968.29</u>		<u>16,825.40</u>	\$ 14,142.89
Total Federal Programs	<u>84,443.35</u>	-	<u>70,300.46</u>	<u>14,142.89</u>
<u>State:</u>				
Clean Communities Grant		\$ 4,000.00	4,000.00	
	<u>\$ 84,443.35</u>	<u>\$ 4,000.00</u>	<u>\$ 74,300.46</u>	<u>\$ 14,142.89</u>
Received in Cash			\$ 57,447.23	
Canceled -- Deferred Charges			11,882.12	
Canceled -- Appropriated Reserve			<u>4,971.11</u>	
			<u>\$ 74,300.46</u>	

FEDERAL AND STATE GRANT FUND
 Statement of Reserve for Federal and State Grants--Unappropriated
 For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Budget 2011</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Federal:</u>				
Community Development Block Grant				
Total Federal Programs	-	-	-	-
<u>State:</u>				
Clean Communities Grant		\$ 4,000.00	\$ 4,000.00	
Recycling Grant	\$ 558.33		558.33	
Total State Programs	<u>558.33</u>	<u>4,000.00</u>	<u>4,558.33</u>	-
	<u>\$ 558.33</u>	<u>\$ 4,000.00</u>	<u>\$ 4,558.33</u>	<u>\$ -</u>

BOROUGH OF AUDUBON PARK
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Appropriated
For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Transferred</u> <u>from 2011</u> <u>Budget</u> <u>Appropriation</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Federal:</u>				
Municipal Stormwater Regulation Program	\$ 1,141.00		\$ 1,141.00	
N.J. Department of Transportation Grant	784.25		784.25	
Community Development Block Grant	19,179.50		5,036.61	\$ 14,142.89
	<u>21,104.75</u>	<u>-</u>	<u>6,961.86</u>	<u>14,142.89</u>
<u>State:</u>				
Clean Communities Grant	5,631.23	\$ 4,000.00	1,036.46	8,594.77
Recycling Tonnage Grant	1,278.54	558.33		1,836.87
	<u>6,909.77</u>	<u>4,558.33</u>	<u>1,036.46</u>	<u>10,431.64</u>
	<u>\$ 28,014.52</u>	<u>\$ 4,558.33</u>	<u>\$ 7,998.32</u>	<u>\$ 24,574.53</u>
Disbursed			\$ 3,027.21	
Canceled			<u>4,971.11</u>	
			<u>\$ 7,998.32</u>	

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, 2011

	<u>Animal Control</u>	<u>Other</u>
Balance Dec. 31, 2010	\$ 60.90	\$ 1,802.95
Increased by Receipts:		
Reserve for Animal Control Expenditures	\$ 821.40	
State Registration Fees	114.60	
Due Current Fund	0.59	\$ 7.19
Reserve for Multi-Purpose Facility Deposits	<u> </u>	<u>20,300.00</u>
	<u>936.59</u>	<u>20,307.19</u>
	997.49	22,110.14
Decreased by Disbursements:		
State Registration Fees	113.40	
Reserve for Animal Control Expenditures	400.00	
Reserve for Multi-Purpose Facility Deposits	<u> </u>	<u>17,830.00</u>
	<u>513.40</u>	<u>17,830.00</u>
Balance Dec. 31, 2011	<u>\$ 484.09</u>	<u>\$ 4,280.14</u>

BOROUGH OF AUDUBON PARK
ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2011

Balance (Deficit) Dec. 31, 2010		\$ (27.62)
Increased by:		
Deficit Raised in Current Fund Budget - Due Current Fund	\$ 27.62	
Receipts:		
Dog and Cat License Fees Collected	821.40	
		849.02
		821.40
Decreased by:		
Expenditures Under R.S. 4:19-15.11: Disbursed		400.00
Balance Dec. 31, 2011		\$ 421.40

Dog License Fees Collected

<u>Year</u>		<u>Amount</u>
2010	\$	1,010.00
2009		770.80
	\$	1,780.80

BOROUGH OF AUDUBON PARK
ANIMAL CONTROL FUND
 Statement of Due to Current Fund
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$	88.52
Increased by:		
Receipts:		
Interest Earned on Investments		0.59
		89.11
Decreased by:		
Deferred Charge Raised in Current Fund Budget		27.62
Balance Dec. 31, 2011	\$	61.49

Exhibit SB-4

TRUST OTHER FUND
 Statement of Reserve for Multi-Purpose Facility Deposits
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$	1,802.95
Increased by:		
Receipts		
		20,300.00
		22,102.95
Decreased by:		
Disbursements:		
To Current Fund as Miscellaneous Revenue	\$	10,000.00
Refunds to Rental Deposit		7,830.00
		17,830.00
Balance Dec. 31, 2011	\$	4,272.95

BOROUGH OF AUDUBON PARK
TRUST OTHER FUND
 Statement of Due to Current Fund
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ -
Increased by:		
Interest Earned on Investments	\$ 7.19	
Rental of Municipal Facility	10,000.00	
		10,007.19
Decreased by:		
Disbursements		10,000.00
Balance Dec. 31, 2011		\$ 7.19

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

BOROUGH OF AUDUBON PARK
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2011

	Balance (Deficit)	<u>Transfers</u>		Balance (Deficit)
	<u>Dec. 31, 2010</u>	<u>From</u>	<u>To</u>	<u>Dec. 31, 2011</u>
Due Current Fund	\$ (2,124.94)		\$ 28,669.14	\$ 26,544.20
Capital Fund Balance				
Downpayment on Improvements		\$ 2,500.00	2,500.00	
Capital Improvement Fund	1,950.00	6,250.00	4,300.00	
Improvement Authorizations:				
2003-3 Purchase of Firehouse Doors and Reconstruction of Road "C"	174.94	174.94		
2011-1a Acquisition of upgrades to the Boroughs financial information technology systems, together with the acquisition of all materials and equipment and completion of all work necessary therefor or related thereto		12,005.05	750.00	(11,255.05)
2011-1b Construction and renovations to the Borough's existing recreation facilities		52,461.44	46,000.00	(6,461.44)
2011-1c; Replacement of existing roof of the firehouse and portion				
2011-6 of the municipal building		124,913.05	125,000.00	86.95
2011-1d Engineering costs for the overlay of existing roads		9,664.66	750.00	(8,914.66)
	---	\$ 207,969.14	\$ 207,969.14	---

BOROUGH OF AUDUBON PARK
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation--Unfunded
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Funded by Budget Appropriation	2011 Authorizations	Balance Dec. 31, 2011	Analysis of Balance Dec. 31, 2011		Bond Anticipation Notes
						Expended	Unexpended Improvement Authorizations	
2001-4	Acquisition of Fire Truck	\$ 80,000.00	\$ 40,000.00		\$ 40,000.00			\$ 40,000.00
2011-1a	Acquisition of upgrades to the Boroughs financial information technology systems, together with the acquisition of all materials and equipment and completion of all work necessary therefor or related thereto			\$ 14,250.00	14,250.00	\$ 11,255.05	\$ 2,994.95	
2011-1b	Construction and renovations to the Borough's existing recreation facilities			19,000.00	19,000.00	6,461.44	12,538.56	
2011-1c; 2011-6	Replacement of existing roof of the firehouse and portion of the municipal building			118,750.00	118,750.00		86.95	118,663.05
2011-1d	Engineering costs for the overlay of existing roads			14,250.00	14,250.00	8,914.66	5,335.34	
		<u>\$ 80,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 166,250.00</u>	<u>\$ 206,250.00</u>	<u>\$ 26,631.15</u>	<u>\$ 20,955.80</u>	<u>\$ 158,663.05</u>
Bond Anticipation Notes								\$ 158,750.00
Less -- Unexpended Proceeds of Bond Anticipation Notes Ord. # 2011-1c/2011-6								<u>86.95</u>
								<u>\$ 158,663.05</u>

BOROUGH OF AUDUBON PARK
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 1,950.00
Increased by:		
2011 Budget Appropriation--Due from Current Fund		4,300.00
		6,250.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		6,250.00
Balance December 31, 2011		\$ -

Exhibit SC-4

GENERAL CAPITAL FUND
Statement of Due from/to Current Fund
For the Year Ended December 31, 2011

Balance December 31, 2010 (Due from)		\$ 2,124.94
Increased by:		
Capital Improvement Fund Budget Appropriation	\$ 4,300.00	
Community Development Funds Received in Current Fund	45,000.00	
Downpayment on Improvement Budget Appropriation	2,500.00	
Proceeds of Bond Anticipation Notes	118,750.00	
		170,550.00
		172,674.94
Decreased by:		
Improvement Authorizations Disbursed by Current Fund		199,219.14
Balance December 31, 2011 (Due to)		\$ (26,544.20)

BOROUGH OF AUDUBON PARK
 GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2010 Funded	2011 Authorizations		Paid and Charged	Balance Dec. 31, 2011	
		Date	Amount		Downpayment	Deferred Charges to Future Taxation Unfunded		Funded	Unfunded
2003-3	Purchase of Firehouse Doors and Reconstruction of Road "C"	03-23-03	\$ 156,500.00	\$ 174.94			\$ 174.94		
2011-1a	Acquisition of upgrades to the Boroughs financial information technology systems, together with the acquisition of all materials and equipment and completion of all work necessary therefor or related thereto	02-22-11	15,000.00		\$ 750.00	\$ 14,250.00	12,005.05		\$ 2,994.95
2011-1b	Construction and renovations to the Borough's existing recreation facilities	02-22-11	65,000.00		46,000.00	19,000.00	52,461.44		12,538.56
2011-1c;	Replacement of existing roof of the firehouse and portion of the municipal building	02-22-11							
2011-6		10-03-11	125,000.00		6,250.00	118,750.00	124,913.05		86.95
2011-1d	Engineering costs for the overlay of existing roads	02-22-11	15,000.00		750.00	14,250.00	9,664.66		5,335.34
				<u>\$ 174.94</u>	<u>\$ 53,750.00</u>	<u>\$ 166,250.00</u>	<u>\$ 199,219.14</u>	<u>\$ -</u>	<u>\$ 20,955.80</u>
Capital Improvement Fund						\$ 6,250.00			
Downpayment on Improvements						2,500.00			
Due from Camden County -- Community Development Block Grant						45,000.00			
						<u>\$ 53,750.00</u>			
Disbursed from Current Fund							<u>\$ 199,219.14</u>		

BOROUGH OF AUDUBON PARK
GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Note Issue</u>	<u>Date of Issue of</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
2001-4	Acquisition of Fire Truck	03-25-02	11-10-11	04-30-12	1.70%		\$ 40,000.00		\$ 40,000.00
2001-4	Acquisition of Fire Truck	03-25-02	11-11-10	11-11-11	2.50%	\$ 80,000.00		\$ 80,000.00	
2011-1c; 2011-6	Replacement of existing roof of the firehouse and portion of the municipal building	08-25-11	08-25-11	08-24-12	1.70%		<u>118,750.00</u>		<u>118,750.00</u>
						<u>\$ 80,000.00</u>	<u>\$ 158,750.00</u>	<u>\$ 80,000.00</u>	<u>\$ 158,750.00</u>
	Issued for Cash -- Due Current Fund						\$ 118,750.00		
	Paid by Budget Appropriation							\$ 40,000.00	
	Renewals						<u>40,000.00</u>	<u>40,000.00</u>	
							<u>\$ 158,750.00</u>	<u>\$ 80,000.00</u>	

BOROUGH OF AUDUBON PARK
PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

BOROUGH OF AUDUBON PARK
Schedule of Findings and Recommendations
For the Year Ended December 31, 2011

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.

Finding No. 2011-1

Criteria or Specific Requirement

The State of New Jersey Department of Community Affairs Technical Directive 1985-3 requires the local government to accurately maintain a general ledger.

Condition

Our review of the general ledger revealed that it was not reconciled to the monthly cash reconciliations.

Context

The general ledger was not balanced with the monthly cash from May through December.

Effect

The control over current budget and other balance sheet accounts is not effective to reduce the likelihood that errors of a material nature could occur and not be detected and that some budgetary accounts were over-expended prior to transfer.

Cause

The Borough purchased and instituted a new software package during the year. Sufficient understanding of the new system was lacking which caused the above situation.

Recommendation

That the general ledger be reconciled with cash and the budget reports on a monthly basis.

View of Responsible Officials and Planned Corrective Action

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

BOROUGH OF AUDUBON PARK
Schedule of Findings and Recommendations
For the Year Ended December 31, 2011

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2011-2

Criteria or Specific Requirement

Quarterly payroll reports are required to be filed timely and accurately and N.J.S.A. 40A:5-19 requires that employees be paid in accordance with the adopted salary ordinance.

Condition

Our audit of the payroll revealed the following:

1. Some of the payroll reports were not accurate.
2. Some of the employees were not paid in accordance with the adopted salary ordinance.

Context

Two quarterly reports were not accurate and one was not filed timely. Additionally, five of the six employees were not paid in accordance with the adopted salary ordinance.

Effect

That penalties and interest may be incurred and that some employees may be over/under paid.

Cause

Control procedures are not in place that would allow a review of both the payroll reports and the payroll checks prior to issuance.

Recommendation

That control procedures be established and adhered too that would require review and oversight of the payroll reports and payroll checks prior to issuance.

View of Responsible Officials and Planned Corrective Action

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

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**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

None.

BOROUGH OF AUDUBON PARK
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
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, Deputy Clerk	(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.

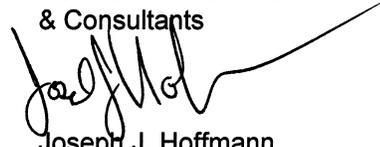
(B) \$950,000.00 of coverage through the Camden County Municipal Excess Liability Pool.

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

A handwritten signature in black ink, appearing to read "J. Hoffmann", with a long, sweeping horizontal line extending to the right.

Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

