

BOROUGH OF MOUNT EPHRAIM
County of Camden

Report of Audit of Financial Statements

For the Year Ended December 31, 2010

BOROUGH OF MOUNT EPHRAIM
COUNTY OF CAMDEN

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BOROUGH OF MOUNT EPHRAIM

PART I

Report of Audit of Financial Statements

For the Year Ended December 31, 2010

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Commission
Borough of Mount Ephraim
County of Camden
Mount Ephraim, New Jersey

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Mount Ephraim, 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 and statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2010, which collectively comprise the Borough's basic financial statements as listed in the table of contents. 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 opinions.

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 Mount Ephraim, 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 Mount Ephraim, 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 and 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 March 8, 2011 on our consideration of the Borough of Mount Ephraim, 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 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 of Mount Ephraim'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 groups taken as a whole.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 8, 2011

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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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 Commission
Borough of Mount Ephraim
County of Camden
Mount Ephraim, New Jersey

We have audited the financial statements (regulatory basis) of the Borough of Mount Ephraim, 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 March 8, 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 Mount Ephraim'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 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

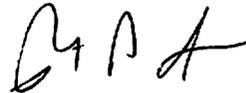
As part of obtaining reasonable assurance about whether the Borough of Mount Ephraim's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct 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, State of New Jersey, and which are described in the accompanying *Schedule of Findings and Recommendations* as finding no: #2010-1 and #2010-2.

The Borough of Mount Ephraim responses to the findings identified in our audit are described in the accompanying *Schedule of Findings and Recommendations*. We did not audit the Borough's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management and others within the Borough of Mount Ephraim, the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 8, 2011

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2010 and 2009

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
Regular Fund:			
Cash - Treasurer	A-4	\$701,028.03	\$904,754.99
Cash - Change Fund - Collector	A-5	<u>150.00</u>	<u>150.00</u>
Total		<u>701,178.03</u>	<u>904,904.99</u>
Due State of New Jersey -			
Veterans and Senior Citizens Deductions	A-6	<u>1,702.35</u>	<u>1,946.26</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	193,368.59	236,201.67
Tax Title Liens Receivable	A-8	66,224.93	63,379.07
Property Acquired for Taxes - Assessed Valuation	A-9	9,400.00	9,400.00
Sewer Rents Receivable	A-10	7,597.06	5,834.81
Revenue Accounts Receivable	A-11	9,864.07	15,357.25
Due from Animal Control Fund	B	5,128.48	6,130.02
Due from Trust - Other Fund	B	3,200.00	15,138.93
Due from General Capital Fund	C		
Due from Federal and State Grant Fund	A	<u>46,494.30</u>	<u>58,761.61</u>
Total		<u>341,277.43</u>	<u>410,203.36</u>
Deferred Charges:			
Special Emergency	A-12	10,000.00	15,000.00
		<u>10,000.00</u>	<u>15,000.00</u>
Total Regular Fund		<u>1,054,157.81</u>	<u>1,332,054.61</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	79,016.86	20,354.24
Due from General Capital Fund	C		792.10
Federal and State Grants Receivable	A-22	233,339.00	238,122.98
Total Federal and State Grant Fund		<u>312,355.86</u>	<u>259,269.32</u>
Total Assets		<u>\$1,366,513.67</u>	<u>\$1,591,323.93</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2010 and 2009

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$113,162.65	\$113,734.53
Encumbrances Payable	A-3,A-13	20,267.39	46,147.33
Tax Overpayments	A-14	2,413.07	5,827.86
Prepaid Taxes	A-15	47,086.48	41,360.74
Due County for Added and Omitted Taxes	A-17	8,561.58	6,730.09
Sewer Rent Overpayments		583.52	696.63
Payroll Taxes Payable			4,926.22
Due to Other Trust Fund	B	62,190.53	5,045.03
Due to General Capital Fund	C	32,118.07	5,712.78
Due State of New Jersey - DCA Fees		531.00	1,420.00
Due State of New Jersey - Marriage License Fees		25.00	250.00
Due State of New Jersey - Burial Permit Fees			40.00
Reserve for State Aid for Maintenance of Library	A-18	253.56	123.56
Reserve for CVS Streetscape Program	A-19		57,145.50
Reserve for Codification of Ordinances	A-20	17,071.50	17,071.50
Reserve for Revaluation	A-21		5,000.00
		<hr/>	<hr/>
Total Liabilities		304,264.35	311,231.77
Reserve for Receivables and Other Assets	A	341,277.43	410,203.36
Fund Balance	A-1	408,616.03	610,619.48
		<hr/>	<hr/>
Total Regular Fund		1,054,157.81	1,332,054.61
Federal and State Grant Fund:			
Encumbrances Payable		10,457.40	1,488.00
Due to Current Fund	A	46,494.30	58,761.61
Due to General Capital Fund	C	25,175.33	
Unappropriated Reserves	A-23	7,457.93	
Appropriated Reserves	A-24	222,770.90	199,019.71
		<hr/>	<hr/>
Total Federal and State Grant Fund		312,355.86	259,269.32
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance		<u>\$1,366,513.67</u>	<u>\$1,591,323.93</u>

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

BOROUGH OF MOUNT EPHRAIM
Current Fund

Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$550,000.00	\$423,000.00
Miscellaneous Revenue Anticipated	1,099,196.10	1,389,056.72
Receipts from Delinquent Taxes	236,709.21	230,964.78
Receipts from Current Taxes	10,478,931.72	10,002,841.31
Nonbudget Revenues	96,616.09	119,143.22
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	86,033.15	6,443.43
Cancelation of Tax Overpayments	1,456.95	
Cancelation of Reserve Balances	9,866.16	3,951.98
Liquidation of Interfunds		16,711.54
	<hr/>	<hr/>
Total Revenue and Other Income Realized	12,558,809.38	12,192,112.98
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	1,798,955.82	1,839,700.00
Other Expenses	1,658,506.29	1,724,460.00
Deferred Charges and Statutory Expenditures Within "CAPS"	342,725.31	323,001.25
Operations Excluded from "CAPS":		
Salaries and Wages	44,230.00	94,200.00
Other Expenses	392,617.54	288,134.25
Capital Improvements Excluded from "CAPS"	10,000.00	10,000.00
Municipal Debt Service Excluded from "CAPS"	345,016.79	304,891.16
Deferred Charges and Statutory Expenditures Excluded from "CAPS"	5,000.00	5,000.00
County Taxes	2,100,110.45	2,013,733.84
Due County for Added Taxes	8,561.58	6,730.09
Local School District Tax	5,501,372.50	5,305,996.50
Interfund Created	3,216.55	
Prior Year Senior Citizens Disallowed	500.00	
	<hr/>	<hr/>
Subtotal	12,210,812.83	11,915,847.09
Less: Expenditures to be Raised by Future Taxes	<hr/>	<hr/>
Total Expenditures	12,210,812.83	11,915,847.09
Statutory Excess to Fund Balance (Carried Forward)	347,996.55	276,265.89

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Statutory Excess to Fund Balance (Brought Forward)	\$347,996.55	\$276,265.89
Fund Balance January 1	<u>610,619.48</u>	<u>757,353.59</u>
Total	958,616.03	1,033,619.48
Decreased by Utilization as Anticipated Revenue	<u>550,000.00</u>	<u>423,000.00</u>
Fund Balance December 31	<u><u>\$408,616.03</u></u>	<u><u>\$610,619.48</u></u>

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

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2010

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$550,000.00		\$550,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	3,000.00		3,930.00	\$930.00
Other	8,000.00		9,444.00	1,444.00
Fees and Permits	38,000.00		49,378.03	11,378.03
Fines and Costs:				
Municipal Court	135,000.00		122,699.99	(12,300.01)
Interest and Costs on Taxes	45,000.00		54,583.04	9,583.04
Sewer Rents	110,000.00		112,581.60	2,581.60
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	60,408.00		60,207.17	(200.83)
Energy Receipts Tax	353,296.00		353,296.00	
Uniform Construction Code	72,900.00		39,232.00	(33,668.00)
Interlocal Agreements:				
Municipal Court - Borough of Oaklyn	115,000.00		68,709.73	(46,290.27)
Special Items Offset with Appropriations:				
NJ DOT Grant	170,000.00		170,000.00	
Clean Communities Program	7,514.92		7,514.92	
Body Armor Grant	841.85		841.85	
Drunk Driving Enforcement Fund		\$14,037.77	14,037.77	
Over the Limit Under Arrest		4,400.00	4,400.00	
Community Development Block Grant		28,340.00	28,340.00	
Total	<u>1,118,960.77</u>	<u>46,777.77</u>	<u>1,099,196.10</u>	<u>(66,542.44)</u>
Receipts from Delinquent Taxes	236,000.00		236,709.21	709.21
Amount to be Raised by Taxes for Support of Municipal Budget -				
Local Tax for Municipal Purposes	<u>3,046,719.92</u>		<u>3,190,860.29</u>	<u>144,140.37</u>
Budget Totals	4,951,680.69	46,777.77	5,076,765.60	78,307.14
Nonbudget Revenues			<u>96,616.09</u>	<u>96,616.09</u>
Total	<u>\$4,951,680.69</u>	<u>\$46,777.77</u>	<u>\$5,173,381.69</u>	<u>\$174,923.23</u>

BOROUGH OF MOUNT EPHRAIM
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	\$10,478,931.72
Allocated to School and County Taxes	<u>7,610,044.53</u>
Balance for Support of Municipal Budget Appropriations	2,868,887.19
Add Appropriation - Reserve for Uncollected Taxes	<u>321,973.10</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$3,190,860.29</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	<u><u>\$236,709.21</u></u>
Miscellaneous Revenue:	
Recycling	\$9,604.21
Payment in Lieu of Taxes	36,000.00
Interest Earned on Investments	22,440.59
Sewer Interest and Costs	3,106.51
Photocopies	1,822.31
Vets and Senior Citizen Administrative Fee	1,597.14
Transfer from Water Utility Fund	4,055.47
Refund of Prior Years Expenditures	12,475.99
Miscellaneous	<u>5,513.87</u>
Total	<u><u>\$96,616.09</u></u>

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

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2010

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
General Government:					
Administrative and Executive:					
	Salaries and Wages	\$7,750.00	\$8,650.08	\$8,650.08	
	Other Expenses	5,100.00	5,100.00	5,060.29	\$39.71
	Municipal Clerk				
	Salaries and Wages	8,545.00	8,545.00	8,178.75	366.25
	Other Expenses	41,990.00	41,990.00	41,395.67	594.33
12	Financial Administration:				
	Salaries and Wages	48,100.00	48,100.00	43,023.00	77.00
	Other Expenses	11,815.00	12,815.00	12,785.30	29.70
	Audit Services				
	Other Expenses	25,000.00	25,000.00	25,000.00	
	Collection of Taxes:				
	Salaries and Wages	93,500.00	101,154.69	101,154.69	
	Other Expenses	5,760.00	5,760.00	4,859.91	900.09
	Liquidation of Tax Title Liens				
	Other Expenses	1,500.00	1,500.00	705.60	794.40
	Tax Assessment Administration				
	Salaries and Wages	22,125.00	22,433.01	22,433.01	
	Other Expenses	5,695.00	3,795.00	1,784.84	10.16
	Legal Services and Costs				
	Other Expenses	50,000.00	38,171.30	38,171.30	
	Engineering Services and Costs				
	Other Expenses	10,000.00	13,000.00	10,858.75	2,141.25

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2010

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
Municipal Land Use Law (N.J.S.A. 40:SSD-1):					
Planning Board:					
Salaries and Wages	\$9,275.00	\$10,020.00	\$9,844.54	\$175.46	
Other Expenses	15,385.00	14,640.00	14,427.92	212.08	
Insurance:					
Surety Bond Premium				88.56	\$3,800.00
Group Insurance	590,096.00	591,455.66	587,567.10	88.56	
Liability Insurance	92,448.00	92,448.00	92,182.94	265.06	
Workers Compensation	91,277.00	91,277.00	91,276.12	0.88	
Police					
Salaries and Wages	1,110,445.00	1,110,445.00	1,108,658.01	1,786.99	
Other Expenses	70,160.00	70,160.00	61,459.38	8,700.62	
Prosecutor					
Salaries and Wages	6,105.00	6,105.00	1,749.44	3,000.56	1,355.00
Other Expenses	6,105.00	6,105.00	1,750.00	3,000.00	1,355.00
Civil Defense and Disaster Control					
Salaries and Wages	4,040.00	4,040.00	3,995.11	44.89	
Other Expenses	8,500.00	8,500.00	8,460.55	39.45	
Aid to Volunteer Fire Companies					
Other Expenses	50,000.00	49,000.00	35,163.46	13,836.54	
First Aid Organization - Contribution	9,350.00	10,100.00	9,841.55	258.45	
Fire Hydrant Service	51,000.00	51,000.00	44,912.90	6,087.10	
Road Repairs and Maintenance					
Salaries and Wages	147,645.00	147,645.00	147,188.85	456.15	
Other Expenses	20,000.00	20,000.00	17,037.92	2,962.08	
Garbage and Trash Collection					
Salaries and Wages	145,040.00	125,040.00	121,110.33	29.67	3,900.00
Other Expenses	32,000.00	32,000.00	31,437.76	562.24	
Solid Waste Disposal					
Other Expenses	153,000.00	142,094.33	129,694.66	12,399.67	
Public Buildings and Grounds					
Salaries and Wages	4,580.00	13,278.04	13,278.04		
Other Expenses	12,000.00	14,000.00	13,361.94	638.06	

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2010

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
Sewer System					
Salaries and Wages	\$85,560.00	\$85,560.00	\$82,872.59	\$87.41	\$2,600.00
Other Expenses	22,000.00	22,000.00	14,422.20	577.80	7,000.00
Vehicle Maintenance					
Other Expenses	33,000.00	33,000.00	31,331.56	1,668.44	
Health and Human Services					
Registrar of Vital Statistics					
Salaries and Wages	1,820.00	1,820.00	1,818.31	1.69	
Other Expenses	765.00	765.00		765.00	
Parks and Recreation Functions					
Recreation Services and Programs					
Other Expenses	4,165.00	4,400.00	3,984.11	415.89	
Parks and Playgrounds					
Other Expenses	2,500.00	2,500.00	1,740.50	759.50	
Environmental Commission					
Other Expenses	100.00	100.00		100.00	
Other Common Operating Functions					
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	3,350.00	350.00		350.00	
Utility and Bulk Purchases					
Electricity	29,000.00	49,000.00	47,811.45	1,188.55	
Street Lights	68,000.00	68,000.00	65,960.14	2,039.86	
Telephone	26,000.00	26,000.00	24,706.03	1,293.97	
Fuel Oil	21,000.00	12,500.00	11,555.48	944.52	
Gasoline	61,000.00	56,000.00	52,996.12	3,003.88	
Sewer	2,210.00	2,210.00	2,047.50	162.50	

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2010

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
Municipal Court Functions					
Municipal Court					
Salaries and Wages	\$76,330.00	\$76,330.00	\$49,788.93	\$26,541.07	
Other Expenses	52,725.00	52,725.00	50,000.00	2,725.00	
Public Defender					
Salaries and Wages	2,545.00	2,545.00	1,458.24	1,086.76	
Uniform Construction Code					
State Uniform Construction Code					
Construction Code Official					
Salaries and Wages	29,100.00	40,100.00	39,352.99	747.01	
Other Expenses	3,200.00	3,200.00	3,199.87	0.13	
	<u>3,489,701.00</u>	<u>3,484,472.11</u>	<u>3,353,505.73</u>	<u>103,956.38</u>	<u>\$27,010.00</u>
Total Operations Including Contingent - Within "CAPS"					
Detail:					
Salaries and Wages	1,802,505.00	1,811,810.82	1,764,554.91	34,400.91	10,255.00
Other Expenses	1,687,196.00	1,672,661.29	1,588,950.82	69,555.47	16,755.00
Deferred Charges and Statutory Expenditures -					
Municipal - Within "CAPS":					
DEFERRED CHARGES					
Deficit in Animal Control Fund	5,585.82	5,585.82	5,565.42		20.40
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees Retirement System	59,617.00	59,617.00	59,617.00		
Police & Fireman's Retirement System	192,164.00	192,164.00	192,164.00		
Social Security System (O.A.S.I.)	72,450.00	77,678.89	77,678.89		
Unemployment Compensation Insurance	7,700.00	7,700.00	7,512.27	187.73	
	<u>337,516.82</u>	<u>342,745.71</u>	<u>342,537.58</u>	<u>187.73</u>	<u>20.40</u>
Total Deferred Charges and Statutory Expenditures -					
 Municipal Within "CAPS"					
	<u>\$3,827,217.82</u>	<u>\$3,827,217.82</u>	<u>\$3,696,043.31</u>	<u>\$104,144.11</u>	<u>\$27,030.40</u>
Total General Appropriations -					
 For Municipal Purposes Within "CAPS"					

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2010

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Excluded from "CAPS":					
Aid to Privately Owned Library					
Salaries and Wages	\$7,910.00	\$7,910.00	\$7,908.03	\$1.97	
Other Expenses	1,360.00	1,360.00	963.64	396.36	
Statutory Expenditures:					
Public Employees Retirement System	13,248.00	13,248.00	13,248.00		
Police & Fireman's Retirement System	27,246.00	27,246.00	27,246.00		
16 Recycling Tax	8,000.00	8,000.00	4,252.59	3,747.41	
Group Health Insurance	<u>67,804.00</u>	<u>67,804.00</u>	<u>67,779.53</u>	<u>24.47</u>	
Total Other Operations Excluded from "CAPS":	<u>125,568.00</u>	<u>125,568.00</u>	<u>121,397.79</u>	<u>4,170.21</u>	
Interlocal Municipal Service Agreements					
Borough of Oaklyn					
Prosecutor					
Salaries and Wages	3,000.00	3,000.00	2,445.00		\$555.00
Other Expenses	3,000.00	3,000.00	1,750.00		1,250.00
Municipal Court					
Salaries and Wages	76,330.00	56,330.00	30,291.77	1,038.23	25,000.00
Other Expenses	30,125.00	50,125.00	22,038.66	3,086.34	25,000.00
Public Defender					
Salaries and Wages	2,545.00	2,545.00	1,828.74	716.26	
Borough of Barrington					
Municipal Clerk					
Other Expenses	<u>22,950.00</u>	<u>22,950.00</u>	<u>22,942.50</u>	<u>7.50</u>	
Total Interlocal Municipal Service Agreements	<u>137,950.00</u>	<u>137,950.00</u>	<u>81,296.67</u>	<u>4,848.33</u>	<u>51,805.00</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2010

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Public and Private Programs Offset by Revenues:					
Community Development Block Grant		\$28,340.00	\$28,340.00		
Clean Communities Grant	7,514.92	7,514.92	7,514.92		
New Jersey Transportation Trust Fund	170,000.00	170,000.00	170,000.00		
Over the Limit Under Arrest		4,400.00	4,400.00		
Body Armor Grant	841.85	841.85	841.85		
Drunk Driving Enforcement Fund		14,037.77	14,037.77		
Total Public and Private Programs Offset by Revenues	<u>178,356.77</u>	<u>225,134.54</u>	<u>225,134.54</u>	<u>---</u>	<u>---</u>
Total Operations - Excluded From "CAPS"	<u>441,874.77</u>	<u>488,652.54</u>	<u>427,829.00</u>	<u>\$9,018.54</u>	<u>\$51,805.00</u>
Detail:					
Salaries and Wages	89,785.00	69,785.00	42,473.54	1,756.46	25,555.00
Other Expenses	352,089.77	418,867.54	385,355.46	7,262.08	26,250.00
GENERAL APPROPRIATIONS:					
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>		
Total Capital Improvements - Excluded From "CAPS"	<u>10,000.00</u>	<u>498,652.54</u>	<u>437,829.00</u>	<u>9,018.54</u>	

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2010

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	\$90,000.00	\$90,000.00	\$90,000.00		
Payment of Bond Anticipation Notes and Capital Notes	29,000.00	29,000.00	29,000.00		
Interest on Bonds	155,140.00	155,140.00	155,135.22		\$4.78
Interest on Notes	15,000.00	15,000.00	14,554.49		445.51
 Capital Lease Obligations Approved Prior to 7/1/07					
Principal	28,000.00	28,000.00	28,000.00		
Interest	28,475.00	28,475.00	28,327.08		147.92
 ↻ Total Municipal Debt Service - Excluded From "CAPS"	<u>345,615.00</u>	<u>345,615.00</u>	<u>345,016.79</u>	---	<u>598.21</u>
 DEFERRED CHARGES - Municipal - Excluded from "CAPS"					
Special Emergency Authorizations	5,000.00	5,000.00	5,000.00		
 Total Deferred Charges - Municipal-Excluded from "CAPS"	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	---	---
 Total General Appropriations for Municipal Purposes Excluded From "CAPS"	<u>802,489.77</u>	<u>849,267.54</u>	<u>787,845.79</u>	<u>\$9,018.54</u>	<u>\$52,403.21</u>
 Subtotal General Appropriations	4,629,707.59	4,676,485.36	4,483,889.10	113,162.65	79,433.61
Reserve for Uncollected Taxes	321,973.10	321,973.10	321,973.10		
 TOTAL GENERAL APPROPRIATIONS	<u><u>\$4,951,680.69</u></u>	<u><u>\$4,998,458.46</u></u>	<u><u>\$4,805,862.20</u></u>	<u><u>\$113,162.65</u></u>	<u><u>\$79,433.61</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2010

Analysis of Budget After Modification:

Original Budget	\$4,951,680.89	
By Appropriation 40A:4-87	<u>46,777.77</u>	
		<u><u>\$4,998,458.66</u></u>

Analysis of Paid or Charged:

Reserve for Federal and State Grants - Appropriated	\$225,134.54	
Reserve for Uncollected Taxes	321,973.10	
Encumbrances Payable	19,966.35	
Deferred Charges	10,565.42	
Cash Disbursed	<u>4,228,222.79</u>	
 Total		 <u><u>\$4,805,862.20</u></u>

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

BOROUGH OF MOUNT EPHRAIM
Trust Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2010 and 2009

	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$304.96	\$564.60
Deficit in Dog Fund	B-2	4,823.52	5,565.42
Total Animal Control Fund		<u>5,128.48</u>	<u>6,130.02</u>
Other Funds:			
Cash - Treasurer	B-1	196,218.97	83,681.55
Due from Current Fund	A	62,190.53	5,045.03
Accounts Receivable		6,564.68	382.35
Total Other Funds		<u>264,974.18</u>	<u>89,108.93</u>
Total Assets		<u>\$270,102.66</u>	<u>\$95,238.95</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due Current Fund	A	\$5,128.48	\$6,130.02
Total Animal Control Fund		<u>5,128.48</u>	<u>6,130.02</u>
Other Funds:			
Due Current Fund	A	3,200.00	15,138.93
Reserve for :			
Unemployment Compensation	B-3	7,058.09	2,250.95
Escrow Trust Fund	B-4	73,236.92	14,729.36
Law Enforcement - Forfeited Funds	B-5	6,578.88	12,618.51
Tax Title Lien Redemption Trust	B-6	138,612.63	42,122.65
Off Duty Police	B-7	30,818.91	
Public Defender Fees	B-8	5,191.12	1,182.12
POAA Fees	B-9	70.00	48.00
COAH Fees	B-10		613.93
Police Donations	B-11	207.63	404.48
Total Other Funds		<u>264,974.18</u>	<u>89,108.93</u>
Total Liabilities and Reserves		<u>\$270,102.66</u>	<u>\$95,238.95</u>

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

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2010 and 2009

	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$839,596.92	\$223,449.13
Due from Current Fund	A	32,118.07	5,712.78
Due from Federal and State Grant Fund	A	25,175.33	
Due from Camden County Improvement Authority		2,011,283.39	2,607,716.93
Amount to be Provided by Lease		597,000.00	625,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	2,910,000.00	3,000,000.00
Unfunded	C-5	<u>2,510,935.00</u>	<u>1,290,145.00</u>
Total		<u>\$8,926,108.71</u>	<u>\$7,752,023.84</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-9	2,910,000.00	3,000,000.00
Bond Anticipation Notes Payable	C-10	2,306,685.00	1,290,145.00
Obligations Under Capital Lease	C-11	597,000.00	625,000.00
Encumbrances Payable	C-7	14,854.82	89,785.00
Improvement Authorizations:			
Funded	C-8	2,009,076.65	2,566,110.30
Unfunded	C-8	1,056,580.01	180,111.44
Capital Improvement Fund	C-6	122.10	80.00
Reserve for Bond Anticipation Notes		31,790.13	
Due to Federal and State Grant Fund	A		792.10
Fund Balance	C-1	<u> </u>	<u> </u>
Total		<u>\$8,926,108.71</u>	<u>\$7,752,023.84</u>

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

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2010

Balance December 31, 2010 and 2009

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

BOROUGH OF MOUNT EPHRAIM
Water Utility Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Year Ended December 31, 2010 and 2009

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
Operating Fund:			
Cash	D-5		\$2,462.76
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	_____	4,247.28
Total Operating Fund		_____	6,710.04
Total Assets		=	\$6,710.04
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Water Rent Overpayments		_____	_____
Total Liabilities		-	-
Reserve for Receivables	D		4,247.28
Fund Balance	D-1	_____	2,462.76
Total Operating Fund		_____	6,710.04
Total Liabilities, Reserves and Fund Balance		=	\$6,710.04

The accompanying notes to financial statements are an integral part of this statement.

BOROUGH OF MOUNT EPHRAIM
Water Utility Operating Fund
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:		
Fund Balance Utilized		
Water Rents		\$1,405.58
Miscellaneous	\$41.77	833.80
Other Credits to Income:		
Cancellation of Utility Rent Overpayment		<u>89.42</u>
Total Revenue and Other Income Realized	<u>41.77</u>	<u>2,328.80</u>
Expenditures:		
Operating Surplus Transferred to Current Fund	<u>2,504.53</u>	<u>146,000.00</u>
Total Expenditures	<u>2,504.53</u>	<u>146,000.00</u>
Excess in Revenue	(2,462.76)	(143,671.20)
Fund Balance January 1	<u>2,462.76</u>	<u>146,133.96</u>
Total		2,462.76
Decreased by Utilization by Water Utility Operating Budget		
Balance December 31	<u><u>-</u></u>	<u><u>\$2,462.76</u></u>

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

BOROUGH OF MOUNT EPHRAIM
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of Changes in General Fixed Assets - Regulatory Basis
For the Year Ended December 31, 2010

	Balance December 31, 2009	<u>Additions</u>	<u>Retirements</u>	Balance December 31, 2010
General Fixed Assets:				
Land and Land Improvements	\$712,900.00			\$712,900.00
Building and Building Improvements	890,200.00			890,200.00
Machinery and Equipment	2,557,557.00	\$47,415.70		2,604,972.70
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>\$4,160,657.00</u></u>	<u><u>\$47,415.70</u></u>	<u><u>-</u></u>	<u><u>\$4,208,072.70</u></u>
Investment in General Fixed Assets	<u><u>\$4,160,657.00</u></u>	<u><u>\$47,415.70</u></u>	<u><u>-</u></u>	<u><u>\$4,208,072.70</u></u>

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Borough of Mount Ephraim is located in Camden County, New Jersey. The present population according to the 2000 census is 4,495.

The Borough of Mount Ephraim was incorporated in 1926 and operates under a Commission form of government. There are three commissioners elected to four year terms. Each commissioner is selected to be Director of departments comprising the government.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No.14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. There are no organizations that are considered to be component units.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of Mount Ephraim contain all funds 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 Mount Ephraim 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 Mount Ephraim must adopt an annual budget for its current fund and utility operating funds in accordance with the 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 the adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 utilities 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 Mount Ephraim requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balances.

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 not adopted a capitalization threshold as required 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. 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 other than buildings, 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.

Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets (Continued)

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.

No depreciation of general fixed assets is recorded.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments accrued and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Assets Account Group.

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

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

Fund Balance - Fund Balance included in the current fund and sewer utility operating fund represents an amount available for anticipation as revenue in future year's budgets, with certain restrictions.

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.

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.

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 and sewer rents are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's Current Fund and Sewer Utility Operating Fund, respectively; 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.

Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the Mount Ephraim Borough School District and the County of Camden. 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 Mount Ephraim School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1, 2010 to December 31, 2010.

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.

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 as required by N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Outstanding 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 provided on the accrual basis.

Long Term Debt - Long Term Debt, relative to the acquisition of capital assets, is recorded as a liability in either the General Capital Fund or the Water Utility 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 confirmation of the assessments or when the improvement is fully and permanently funded.

Interest on Delinquent Taxes - It is the policy of the Borough to collect interest for the nonpayment of taxes, sewer or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

Comparative Data - Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Borough's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010**

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Custodial credit is the risk that, in the event of a bank failure, the Borough’s deposits may not be returned to it. The Borough’s formal policy regarding custodial credit risk is the same as described in Note 1, N.J.S.A. 17:9-41. et seq. and included in its cash management plan. The Borough shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). As of December 31, 2010 the Borough’s bank balance of \$2,429,855 was insured or collateralized as follows:

Insured by depository insurance	\$	250,000
Collateralized under GUDPA		<u>2,179,855</u>
 Total		 <u>\$ 2,428,855</u>

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.

<u>Comparative Schedule of Tax Rates</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Tax Rate	\$ <u>6.055</u>	\$ <u>5.837</u>	\$ <u>5.610</u>	\$ <u>5.372</u>	\$ <u>5.008</u>
Apportionment of Tax Rate:					
Municipal	1.732	1.654	1.548	1.394	1.307
County	1.195	1.152	1.129	1.159	1.197
Local School District	3.128	3.031	2.933	2.819	2.504

<u>Assessed Valuation</u>	<u>Amount</u>
2010	\$ 175,865,357
2009	175,011,202
2008	173,985,084
2007	173,312,920
2006	172,628,739

<u>Comparison of Tax Levies and Collections</u>			
<u>Year Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2010	\$ 10,692,032	\$ 10,476,932	97.98 %
2009	10,249,505	10,002,841	97.59
2008	9,832,727	9,587,929	97.51
2007	9,123,405	9,347,943	97.59
2006	8,650,498	8,442,940	97.60

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010**

NOTE 3. PROPERTY TAXES (CONT'D)

Delinquent Taxes and Tax Title Liens

<u>Year Ended</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	\$ 66,225	\$ 193,369	\$ 259,594	2.43 %
2009	63,379	236,202	299,581	2.92
2008	89,012	235,887	324,899	3.30
2007	84,894	267,329	352,223	3.86
2006	65,336	246,497	311,833	3.60

The following comparison is made of the number of tax title liens receivable on December 31, of the last current year and previous four years.

<u>Year Ended</u>	<u>Number</u>
2010	14
2009	14
2008	15
2007	15
2006	15

NOTE 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year Ended</u>	<u>Amount</u>
2010	\$ 9,400
2009	9,400
2008	9,400
2007	9,400
2006	322,200

NOTE 5. SEWER UTILITY LEVY

The following is a five year comparison of certain statistical information relative to the sewer utility levy and collections for the current and previous four years.

<u>Year Ended</u>	<u>Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2010	\$ 114,344	\$ 106,747	93.36 %
2009	112,630	106,795	94.82
2008	111,678	106,478	95.34
2007	111,780	106,944	95.67
2006	114,288	113,061	98.93

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010**

NOTE 6. 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>Current Fund</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2010	\$ 408,616	\$ 390,000	95.44 %
2009	610,619	550,000	90.07
2008	757,354	423,000	55.85
2007	685,116	424,000	61.88
2006	422,325	300,000	71.03

NOTE 7. PENSION PLANS

The Borough of Mount Ephraim contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, Borough employees may participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

Public Employees' Retirement System - The PERS was established in 1955 and 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.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS 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. 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 contributions plus any accrued liability. These contributions equal to the required contributions, were as follows:

<u>Public Employees Retirement System</u>			<u>Non-Contrib</u>	<u>Total</u>	<u>Funded by</u>	<u>Paid by</u>
<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Group Life Insurance</u>	<u>Liability</u>	<u>State</u>	<u>Borough</u>
2010	\$28,006	\$35,985	\$8,874	\$72,865		\$72,865
2009	23,756	27,477	6,368	57,601		57,601
2008	26,234	20,217	20,217	46,451	\$9,290	37,161

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010**

NOTE 7. PENSION PLANS (CONT'D)

Police and Firemen's Retirement System – The Police and Firemen's Retirement System (PFRS)) is a cost-sharing multiple-employer defined benefit pension plan which was established in 1944 and provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. 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 contributions plus any accrued liability. These contributions equal to the required contributions, were as follows:

<u>Police and Firemen's Retirement System</u>						
<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Contrib Group Life Insurance</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by Borough</u>
2010	\$121,929	\$86,866	\$10,615	\$219,410	-	\$219,410
2009	105,403	72,930	7,333	178,333	-	178,333
2008	99,581	58,845		158,426	-	158,426

Defined Contribution Retirement Program – The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 207 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. 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. In addition to the employee contributions, the Borough contributes 3% of the employees base salary.

There were no Borough employees enrolled in the DCRP for the years ended December 31, 2010, 2009, and 2008.

NOTE 8. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Borough provides postretirement benefits other than pension benefits to active employees who retire from the Borough and meet certain eligibility criteria. These are known as other postemployment benefits (OPEB). OPEB include postemployment healthcare benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010**

NOTE 8. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Summary of Principal Plan Provisions

Eligibility for Retired Group Coverage

Service Retirement

Eligibility

An employee is eligible to receive postretirement health benefits through the Mount Ephraim Borough health plan by meeting the following criteria:

For PBA, retire from active employment with Mount Ephraim Borough with at least 20 years of service.

For all others, retire from active employment with Mount Ephraim Borough with at least 25 years of service.

Disability Retirement

Eligibility

An employee is eligible if the employee retires with a disability pension from a state administered retirement system.

Funding Policy

The obligations of the plan members, employers and other entities are established by action of the Borough pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and members varies depending on the applicable agreement. The Borough contributes enough money to the plan to satisfy current obligations on a pay-as you-go basis. The costs of administering the plan are paid by the Borough.

Annual OPEB Cost and Net OPEB Obligation

The Borough's annual post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Borough has engaged an actuary to calculate the ARC and related information per the provisions of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Borough's annual OPEB cost for the year, the amount actually contributed to the plan, and the Borough's net OPEB obligation to the Retiree Health Plan at December 31, 2008:

<u>Annual OPEB Cost</u>	<u>Year Ending December 31, 2008</u>
Normal Cost	\$ 545,600
Amortization of Unfunded Actuarial Accrued Liability	603,400
Annual Required Contribution (ARC)	1,149,000
Interest on OPEB Obligation	-
Adjustment to ARC	-
OPEB Expense	1,149,000
Net OPEB contributions made during the fiscal year	131,900
Net OPEB obligation at end of year	\$ 1,017,100
Percentage of expense contributed	11.5%

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010**

NOTE 8. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Funded Status and Funding Progress

As of December 31, 2008 the actuarial accrued liability for benefits was \$10,433,300, all of which was unfunded.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Methods and Assumptions

The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients. The actuary developed the trend assumption utilizing the short term rates expected on the SHBP plan along with information in published papers from other industry experts (actuaries, health economists, etc.).

NOTE 9. COMPENSATED ABSENCES

Full-time employees are entitled to fifteen paid sick leave days each year. Permanent part-time employees are entitled to sick leave on a prorated basis. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward.

The Borough compensates employees for unused sick leave upon termination or retirement. The current policy provides that all employees may sell their sick time accumulated.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2010, accrued benefits for compensated absences are valued at \$317,285.

NOTE 10. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Joint Insurance Fund - The Borough is a member of the Camden County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund (MEL). These Funds provide the Borough with coverage for property and contents, auto and general liability, workers compensation, employee dishonesty, crime, public officials liability, and environmental legal liability.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010**

NOTE 10. RISK MANAGEMENT (CONT'D)

The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous four years:

<u>Year</u>	<u>Employee Withholdings</u>	<u>Interest Earned</u>	<u>Other Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010	\$ 3,127	\$ 67	\$ 6,425	\$ 4,812	7,058
2009	3,822	23	12,501	15,731	2,251
2008	2,716	267	18,878	31,356	1,636
2007	7,703			2,398	11,131
2006	3,345	80			5,826

NOTE 11. CAPITAL DEBT

Summary of Municipal Debt

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Issued:			
General Bonds and Notes	\$ 5,420,935	4,290,145	\$ 904,405
Net Debt Issued	<u>5,420,935</u>	<u>4,290,145</u>	<u>904,405</u>
Authorized But Not Issued:			
General - Bonds and Notes			3,000,000
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 5,420,935</u>	<u>4,290,145</u>	<u>\$ 3,904,405</u>

Serial Bonds Payable

Serial Bonds are authorized in accordance with State law. All bonds are retired in serial installments within the statutory period of usefulness. Serial Bonds payable at December 31, 2010 consisted of the following issue:

<u>Purpose</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Guaranteed Revenue Bonds of 2010	5/01/2025	5.25% - 6.00%	<u>\$2,910,000</u>

Bond Anticipation Notes Payable

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes can not exceed one year from the date of issuance, however the Notes may be renewed from time to time for a period not to exceed one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

As of December 31, 2010, had outstanding general capital bond anticipation notes of \$1,045,540 maturing on July 18, 2011 with an interest rate of 1.24% and \$1,261,145 maturing on October 21, 2011 with an interest rate of 1.03%.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010**

NOTE 11. 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 required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.69%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 7,245,212	\$ 7,245,212	
General Debt	<u>5,420,935</u>	<u> </u>	<u>\$ 5,420,935</u>
 Total	 <u>\$ 12,666,147</u>	 <u>\$ 7,245,212</u>	 <u>\$ 5,420,935</u>

Net Debt, \$5,420,935 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$321,101,215 equals 1.69%.

Equalized Valuation Basis:

2008	\$	322,017,241
2009		319,123,653
2010		<u>322,162,752</u>
 Average	 \$	 <u>321,101,215</u>

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

3-1/2% of Equalized Valuation Basis (Municipal)	\$	11,238,521
Net Debt		<u>5,420,935</u>
 Remaining Borrowing Power	 \$	 <u>5,817,586</u>

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Serial Bonds Payable

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$95,000	\$150,281	\$245,281
2012	100,000	145,163	245,163
2013	105,000	139,781	244,781
2014	110,000	134,137	244,137
2015	120,000	128,100	248,100
2016-2020	675,000	558,180	1,233,180
2020-2024	830,000	392,400	1,222,400
2025-2029	<u>875,000</u>	<u>109,050</u>	<u>984,050</u>
 Total	 <u>\$2,910,000</u>	 <u>\$1,757,092</u>	 <u>\$4,667,092</u>

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2010**

NOTE 12. LEASE OBLIGATIONS

The Borough has a lease agreement in effect at December 31, 2010 for various capital improvements with the Camden County Improvement Authority, a 25 Yard Refuse Truck and two Police Cars.

Future minimum lease payments under the capital lease agreements are as follows:

<u>Calendar Year</u>	<u>General</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 76,832	\$ 30,662	\$ 107,494
2012	48,789	27,090	75,879
2013	31,000	24,704	55,704
2014	33,000	23,206	56,206
2015	34,000	21,556	55,556
2016-20	196,000	81,148	277,148
2021-25	<u>245,000</u>	<u>35,285</u>	<u>280,285</u>
Total	\$ <u>664,621</u>	\$ <u>243,651</u>	\$ <u>908,272</u>

NOTE 13. 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.

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 54,822.78	\$ 94,308.60
Federal and State Grant Fund		71,669.63
Animal Control Fund		5,128.48
Other Trust Funds	62,190.53	3,200.00
General Capital Fund	<u>57,293.40</u>	
	\$ <u>174,306.71</u>	\$ <u>174,306.71</u>

NOTE 14. 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:

	<u>Balance December 31, 2010</u>	<u>2011 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
Current Fund:			
Special Emergency	\$ <u>10,000.00</u>	\$ <u>5,000.00</u>	\$ <u>5,000.00</u>

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

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2010

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2009	\$904,754.99	\$20,354.24
Receipts:		
Taxes Receivable	\$10,591,213.06	
Prepaid Taxes	47,086.48	
Tax Overpayments	996.28	
Revenue Accounts Receivable	761,479.96	
Sewer Rent Charges	111,884.97	
Sewer Rent Overpayments	583.52	
Due State of New Jersey:		
Burial Permits	5.00	
Marriage License Fees	450.00	
UCC Fees	2,013.00	
Due from State of New Jersey for Senior Citizens and Veterans Deductions	79,856.92	
Miscellaneous Revenues Not Anticipated	96,616.09	
Reserve for Maintenance of Library	130.00	
Due from Other Trust Funds	92,007.77	
Due to General Capital Fund	806,405.29	
Budget Refunds	36,953.25	
Contra	56,597.42	
Federal and State Grants Receivable		\$150,809.59
Total Receipts	<u>12,684,279.01</u>	<u>150,809.59</u>
Sub-Total	13,589,034.00	171,163.83
Disbursements:		
2010 Appropriations	4,228,222.79	
2009 Appropriation Reserves	27,400.34	
Encumbrances Payable	46,147.33	
County Taxes	2,106,840.54	
Local School Taxes Payable	5,501,372.50	
Payroll Taxes Payable	60.06	
Due State of New Jersey:		
Burial Permits	45.00	
Marriage License Fees	675.00	
UCC Fees	2,902.00	
Due to General Capital Fund	780,000.00	
Due from Other Trust Fund	100,789.74	
Budget Refunds	36,953.25	
Contra	56,597.42	
Federal and State Appropriated Reserves		92,146.97
Total Disbursements	<u>12,888,005.97</u>	<u>92,146.97</u>
Balance December 31, 2010	<u><u>\$701,028.03</u></u>	<u><u>\$79,016.86</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Change Fund
 For the Year Ended December 31, 2010

Balance December 31, 2009 and 2010	<u><u>\$150.00</u></u>
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Schedule of Due to State of New Jersey
 for Senior Citizens and Veterans Deductions
 For the Year Ended December 31, 2010

Balance December 31, 2009	\$1,946.26
Increased by:	
Senior Citizen Deductions per Duplicate	\$80,750.00
Veterans Deductions per Duplicate	
Senior Citizen Deductions Allowed by Collector	
Subtotal	<u>80,750.00</u>
Less - Disallowed Senior Citizens	<u>1,136.99</u>
Subtotal	<u>79,613.01</u>
Subtotal	81,559.27
Increased by:	
Collected	<u>79,856.92</u>
Balance December 31, 2010	<u><u>\$1,702.35</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2010

Year	Balance	2010 Levy	Added Taxes	COLLECTIONS BY CASH		State Share of 2010 Senior Citizens and Veterans Deductions Allowed	Overpayments Applied	Transferred to Tax Title Lien	Canceled	Balance
	Dec. 31, 2009			2009	2010					Dec. 31, 2010
2007	\$1,284.86									\$1,284.86
2008			\$1,292.40		\$1,292.40					
2009	<u>234,916.81</u>		<u>500.00</u>		<u>235,416.81</u>					
Subtotal	236,201.67				236,709.21					1,284.86
2010		<u>\$10,692,032.39</u>		<u>\$41,360.74</u>	<u>10,354,503.85</u>	<u>\$80,113.01</u>	<u>\$2,954.12</u>	<u>\$2,845.86</u>	<u>\$18,171.08</u>	<u>192,083.73</u>
Total	<u>\$236,201.67</u>	<u>\$10,692,032.39</u>	<u>-</u>	<u>\$41,360.74</u>	<u>\$10,591,213.06</u>	<u>\$80,113.01</u>	<u>\$2,954.12</u>	<u>\$2,845.86</u>	<u>\$18,171.08</u>	<u>\$193,368.59</u>

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax	\$10,567,901.63
Added Taxes	43,380.76
Senior Citizens and Veterans Deductions Allowed Per Original Levy	<u>80,750.00</u>
Total	<u>\$10,692,032.39</u>

Tax Levy:

Local School Tax (Abstract)	\$5,501,372.50
County Tax (Abstract)	\$1,967,941.72
County Library Tax (Abstract)	132,168.73
County Open Space Tax (Abstract)	0.00
County Added Taxes	<u>8,561.58</u>
Local Tax for Municipal Purposes	3,046,719.92
Additional Tax Levies	<u>35,267.94</u>
Total	<u>3,081,987.86</u>
Total	<u>\$10,692,032.39</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Tax Liens Receivable
 For the Year Ended December 31, 2010

Balance December 31, 2009	\$63,379.07
Increased by:	
Transfers from Taxes Receivable	2,845.86
	66,224.93
Decreased by:	
Transfer to Foreclosed Property	_____
Balance December 31, 2010	\$66,224.93

Schedule of Property Acquired for Taxes
 For the Year Ended December 31, 2010

Balance December 31, 2009 and 2010	\$9,400.00
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BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Sewer Service Charges Receivable
For the Year Ended December 31, 2010

Balance December 31, 2009		\$5,834.81
Increased by:		
2010 Billings		<u>114,343.85</u>
		120,178.66
Decreased by:		
2010 Collections	\$111,884.97	
Overpayments Applied	<u>696.63</u>	<u>112,581.60</u>
Balance December 31, 2010		<u><u>\$7,597.06</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Accrued in</u> <u>2010</u>	<u>Collected</u> <u>By</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Alcoholic Beverage Licenses		\$3,930.00	\$3,930.00	
Other Licenses		9,444.00	9,444.00	
Fees and Permits		49,378.03	49,378.03	
Municipal Court - Fines and Costs	\$15,357.25	117,206.81	122,699.99	\$9,864.07
Interest and Costs on Taxes		54,583.04	54,583.04	
Consolidated Municipal Property Tax Relief		60,207.17	60,207.17	
Energy Receipts Tax		353,296.00	353,296.00	
Uniform Construction Code		39,232.00	39,232.00	
Borough of Oaklyn - Interlocal Agreement		68,709.73	68,709.73	
Total	<u>\$15,357.25</u>	<u>\$755,986.78</u>	<u>\$761,479.96</u>	<u>\$9,864.07</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Deferred Charges
N.J.S. 40A:4-55 Special Emergency Authorizations
For the Year Ended December 31, 2010

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2009</u>	<u>Added in 2010</u>	<u>Raised in 2010 Budget</u>	<u>Balance December 31, 2010</u>
Codification of Ordinances	4/5/2007	\$25,000.00	<u>\$15,000.00</u>		<u>\$5,000.00</u>	<u>\$10,000.00</u>
Total			<u>\$15,000.00</u>	-	<u>\$5,000.00</u>	<u>\$10,000.00</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of 2009 Appropriation Reserves
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Encumbrances Dec. 31, 2009	Balance after Transfers	Disbursed	Balance Lapsed
Other Expenses - Within Caps					
Administrative and Executive	\$64.69		\$64.69	\$64.69	
Municipal Clerk's Office	595.48	\$1,968.76	2,564.24	2,564.24	
Financial Administration	62.54	169.96	232.50	232.50	
Collection of Taxes	625.97		625.97	112.07	\$513.90
Liquidation of Tax Title Liens	404.40		404.40		404.40
Tax Assessment Administration	562.00		562.00	562.00	
Legal Services and Costs	3,811.46	4,756.32	8,567.78	6,154.10	2,413.68
Engineering Services and Costs	1,128.75	1,000.00	2,128.75	2,128.75	
Planning Board	4,469.00		4,469.00	1,515.00	2,954.00
Insurance					
Group Insurance	2,650.85		2,650.85		2,650.85
Liability Insurance	174.25		174.25		174.25
Workers Compensation	44.27		44.27		44.27
Police	2,578.20	7,556.84	10,135.04	9,376.16	758.88
Prosecutor	250.00		250.00	250.00	
Civil Defense and Disaster Control	142.49	1,000.00	1,142.49		1,142.49
Aid to Volunteer Fire Companies	2,107.19	13,394.00	15,501.19	12,374.21	3,126.98
First Aid Organization - Contribution	965.47	200.47	1,165.94	200.47	965.47
Fire Hydrant Service	5,099.57		5,099.57	4,115.05	984.52
Road Repairs & Maintenance	13,570.86	476.90	14,047.76	3,314.37	10,733.39
Garbage and Trash Removal	941.03		941.03		941.03
Solid Waste Disposal	553.67	12,504.00	13,057.67	12,928.26	129.41
Public Buildings and Grounds	108.18	302.59	410.77	410.77	
Sewer System	2,741.26		2,741.26	2,445.00	296.26
Borough Vehicle Maintenance	2,459.84	15.00	2,474.84	1,325.53	1,149.31
Registrar of Vital Statistics	334.93		334.93		334.93
Recreation Services and Programs	335.00		335.00		335.00
Parks and Playgrounds	984.22		984.22		984.22
Environmental Commission	100.00		100.00		100.00
Celebration of Public Events	357.11		357.11	44.00	313.11
Utilities:					
Electricity	2,518.48		2,518.48	483.86	2,034.62
Street Lights	5,867.05		5,867.05		5,867.05
Telephone	15.60	364.30	379.90	364.30	15.60
Heating Fuel	1,692.12	1,398.95	3,091.07	1,398.95	1,692.12
Gasoline	14,848.36	1,039.24	15,887.60	1,039.24	14,848.36
Municipal Court	1,994.04		1,994.04		1,994.04
State Uniform Construction Code	290.05		290.05		290.05
Municipal Court - Interlocal Services	5,898.76		5,898.76		5,898.76
Statutory Expenditures					
Public Employees Retirement System	99.00		99.00		99.00
Police & Fireman's Retirement System	34.00		34.00		34.00
Social Security System (O.A.S.I.)	2,014.27		2,014.27		2,014.27
Unemployment Compensation Insurance	2,436.02		2,436.02		2,436.02
Subtotal	<u>85,930.43</u>	<u>46,147.33</u>	<u>132,077.76</u>	<u>63,403.52</u>	<u>68,674.24</u>
Other Expenses - Excluded from Caps					
Interlocal Services - Borough of Oaklyn	17,968.04		17,968.04	10,445.19	7,522.85
Aid to Privately Owned Library	216.32		216.32		216.32
Subtotal	<u>18,184.36</u>		<u>18,184.36</u>	<u>10,445.19</u>	<u>7,739.17</u>
Salary and Wage Accounts - No Change	<u>9,619.74</u>		<u>9,619.74</u>		<u>9,619.74</u>
Grand Total	<u>\$113,734.53</u>	<u>\$46,147.33</u>	<u>\$159,881.86</u>	<u>\$73,848.71</u>	<u>\$86,033.15</u>
			Cash Disbursed	\$73,547.67	
			Encumbered	301.04	
				<u>\$73,848.71</u>	

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2010

Balance December 31, 2009		\$5,827.86
Increased by:		
Collected		<u>996.28</u>
Subtotal		6,824.14
Decreased by:		
Applied to 2010 Taxes	\$2,954.12	
Canceled	<u>1,456.95</u>	<u>4,411.07</u>
Balance December 31, 2010		<u><u>\$2,413.07</u></u>

Schedule of Prepaid Taxes
 For the Year Ended December 31, 2010

Balance December 31, 2009		\$41,360.74
Increased by:		
Collected		<u>47,086.48</u>
Subtotal		88,447.22
Decreased by:		
Applied to 2010 Taxes		<u>41,360.74</u>
Balance December 31, 2010		<u><u>\$47,086.48</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Local School Taxes Payable
 For the Year Ended December 31, 2010

Balance December 31, 2009	---
Increased by:	
Levy: Calendar Year 2010	<u>\$5,501,372.50</u>
Subtotal	5,501,372.50
Decreased by:	
Disbursed to Local School District	<u>5,501,372.50</u>
Balance December 31, 2010	<u>---</u>

Exhibit A-17

Schedule of County Taxes Payable
 For the Year Ended December 31, 2010

Balance December 31, 2009	\$6,730.09
Increased by:	
2010 Levy:	
General County	\$1,967,941.70
County Library	132,168.75
Added and Omitted Taxes	<u>8,561.58</u>
Subtotal	<u>2,108,672.03</u>
	2,115,402.12
Decreased by:	
Disbursed to County of Camden	<u>2,106,840.54</u>
Balance December 31, 2010	<u>\$8,561.58</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Reserve For State Library Aid
For the Year Ended December 31, 2010

Balance December 31, 2009	\$123.56
Increased by:	
Cash Received - State Grant	<u>130.00</u>
	253.56
Decreased by:	
Cash Disbursed	<u> </u>
Balance December 31, 2010	<u><u>\$253.56</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Reserve For Kings Highway Streetscape Program
For the Year Ended December 31, 2010

Balance December 31, 2009	\$57,145.50
Decreased by:	
Transfer to Other Trust Fund	<u>57,145.50</u>
Balance December 31, 2010	<u><u>-</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Reserve For Codification of Ordinances
 For the Year Ended December 31, 2010

Balance December 31, 2009 and 2010	<u><u>\$17,071.50</u></u>
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Schedule of Reserve For Revaluation
 For the Year Ended December 31, 2010

Balance December 31, 2009	\$5,000.00
Decreased by:	
Canceled	<u>5,000.00</u>
Balance December 31, 2010	<u><u>-</u></u>

BOROUGH OF MOUNT EPHRAIM
Federal and State Grant Fund
Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2010

	Balance <u>Dec. 31, 2009</u>	Accrued	Received	Unappropriated Reserves Realized	Canceled	Balance <u>Dec. 31, 2010</u>
State Grants:						
Clean Communities Program		\$7,514.92	\$7,514.92			
Statewide Liveable Communities	34,490.00				\$34,490.00	
Alcohol Education and Rehab			1,960.65	\$1,960.65		
NJ TTFA Grants - Green Ave.	37,500.00				37,500.00	
NJ TTFA Grants - Fifth Avenue	10,248.48				10,248.48	
NJ TTFA Grants - Cedar Avenue	54,444.50		50,206.12		4,238.38	
NJ TTFA Grants - Delaware Avenue		170,000.00				\$170,000.00
DWI Enforcement		14,037.77	14,037.77			
Over the Limit Under Arrest	5,000.00	4,400.00	9,400.00			
Body Armor Replacement		841.85	2,366.86	1,525.01		
Recycling Program			3,972.27	3,972.27		
Federal Grants:						
Community Development Block Grant	<u>96,440.00</u>	<u>28,340.00</u>	<u>61,351.00</u>		<u>90.00</u>	<u>63,339.00</u>
Total	<u><u>\$238,122.98</u></u>	<u><u>\$225,134.54</u></u>	<u><u>\$150,809.59</u></u>	<u><u>\$7,457.93</u></u>	<u><u>\$86,566.86</u></u>	<u><u>\$233,339.00</u></u>

BOROUGH OF MOUNT EPHRAIM
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Unappropriated
 For the Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Federal and</u> <u>State Grant</u> <u>Receivable</u>	<u>Realized</u> <u>as Revenue</u> <u>In 2010</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
State Grants:				
Recycling Grant		\$3,972.27		\$3,972.27
Alcohol Education and Rehab. Program		1,960.65		1,960.65
Body Armor Replacement Grant		1,525.01		1,525.01
Total	-	\$7,457.93	-	\$7,457.93

BOROUGH OF MOUNT EPHRAIM
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Appropriated
 For the Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Transferred</u> <u>From 2010</u> <u>Budget</u>	<u>Paid</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
State Grants:					
Drunk Driving Enforcement Fund	\$2,864.19	\$14,037.77	\$5,854.24		\$11,047.72
Recycling Grant	2,703.06		2,703.06		
Alcohol Education & Rehab. Program	7,803.16				7,803.16
Body Armor Grant	620.90	841.85			1,462.75
Clean Communities	23,520.77	7,514.92	1,325.75		29,709.94
Camden County Recycling Rebate	272.23		272.23		
Statewide Liveable Communities	7,165.66			\$7,165.66	
NJ Transportation Trust - Green Avenue	52,905.05			52,905.05	
NJ Transportation Trust - 3rd Avenue	2,208.50			2,208.50	
NJ Transportation Trust - 5th Avenue	22,030.48			22,030.48	
NJ Transportation Trust - Cedar Avenue	19,989.90			19,989.90	
NJ Transportation Trust - Delaware Avenue		170,000.00	7,657.50		162,342.50
Municipal Stormwater Grant	4,821.71		4,450.00		371.71
Statewide Domestic Preparedness Grant	67.81				67.81
Over the Limit Under Arrest	2,800.00	4,400.00	7,200.00		0.00
Federal Grants:					
Community Development Block Grant	<u>49,246.29</u>	<u>28,340.00</u>	<u>67,530.98</u>	<u>90.00</u>	<u>9,965.31</u>
Total	<u>\$199,019.71</u>	<u>\$225,134.54</u>	<u>\$96,993.76</u>	<u>\$104,389.59</u>	<u>\$222,770.90</u>
			Cash Disbursed	\$86,536.36	
			Encumbrances Payable	10,457.40	
			Total	<u>\$96,993.76</u>	

TRUST FUND

BOROUGH OF MOUNT EPHRAIM
Trust Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2010

	<u>Animal Control</u>	<u>Total Other Trust Funds</u>	<u>Unemployment Trust</u>	<u>Off-Duty Police</u>	<u>Public Defender</u>	<u>POAA</u>	<u>COAH</u>	<u>Developer's Escrow</u>	<u>Tax Title Lien Redemption</u>	<u>Police Donations</u>	<u>Forfeited Funds</u>
Balance December 31, 2009	<u>\$564.60</u>	<u>\$83,681.55</u>	<u>\$205.92</u>	<u>\$11,589.56</u>	<u>\$1,182.12</u>	<u>\$48.00</u>	<u>\$613.93</u>	<u>\$14,896.38</u>	<u>\$42,122.65</u>	<u>\$404.48</u>	<u>\$12,618.51</u>
Receipts:											
Dog License Fees:											
Municipal Licenses	5,184.40										
State Registration Fees	753.60										
Current Fund -											
Budget Appropriation		6,000.00	6,000.00								
Due to Current Fund	4,595.00										
Unemployment Compensation		3,551.03	3,551.03								
Off-Duty Police Fees		116,111.59		116,111.59							
Public Defender Fees		4,009.00			4,009.00						
Police Donations		50.00								50.00	
POAA Fees		22.00				22.00					
Affordable Housing (COAH)											
Tax Title Lien Redemptions		242,661.18							242,661.18		
Developer's Escrow		29,163.53						29,163.53			
Forfeited Funds		4,513.40									4,513.40
Interest Earned	31.12	1,754.93	67.73	485.75	51.00	0.97	9.65	235.45	795.49	5.22	103.67
Contra											
Total Receipts	<u>10,584.12</u>	<u>407,836.66</u>	<u>9,618.76</u>	<u>116,597.34</u>	<u>4,060.00</u>	<u>22.97</u>	<u>9.65</u>	<u>29,398.98</u>	<u>243,456.67</u>	<u>55.22</u>	<u>4,617.07</u>
Disbursements:											
Expenditures Under RS4:19-15.11	10,040.24										
State Registration Fees	752.40										
Unemployment		4,811.62	4,811.62								
Off-Duty Police		103,446.92		103,446.92							
Public Defender											
Developer's Escrow		27,844.72						27,844.72			
Tax Title Lien Redemptions											
Forfeited Funds (Law Enforcement)		156,827.90							146,171.20		10,656.70
Affordable Housing (COAH)		623.58					623.58				
Police Donations		252.07								252.07	
Due to Current Fund	31.12	1,492.43		485.75	51.00	0.97		159.22	795.49		
Contra											
Total Disbursements	<u>10,823.76</u>	<u>295,299.24</u>	<u>4,811.62</u>	<u>103,932.67</u>	<u>51.00</u>	<u>0.97</u>	<u>623.58</u>	<u>28,003.94</u>	<u>146,966.69</u>	<u>252.07</u>	<u>10,656.70</u>
Balance December 31, 2010	<u>\$304.96</u>	<u>\$196,218.97</u>	<u>\$5,013.06</u>	<u>\$24,254.23</u>	<u>\$5,191.12</u>	<u>\$70.00</u>	<u>\$0.00</u>	<u>\$16,291.42</u>	<u>\$138,612.63</u>	<u>\$207.63</u>	<u>\$6,578.88</u>

BOROUGH OF MOUNT EPHRAIM
Trust Fund
 Schedule of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2010

Balance (Deficit) December 31, 2009		(\$5,565.42)
Increased by:		
2010 Dog License Fees Collected	\$4,074.40	
Late Fees	1,110.00	
Current Fund - Budget Appropriation	5,565.42	
Miscellaneous Revenue	<u>32.32</u>	<u>10,782.14</u>
Total		5,216.72
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash disbursed		<u>10,040.24</u>
Balance (Deficit) December 31, 2010		<u><u>(\$4,823.52)</u></u>

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2008	\$3,775.20
2009	<u>4,092.00</u>
	<u><u>\$7,867.20</u></u>

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for Unemployment Compensation
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 2,250.95
Increased by:		
Employee Withholdings	\$3,127.15	
Refund of Prior Year Expenditures		
Current Fund - Budget Appropriation	6,000.00	
Current Fund - Appropriation Reserves		
Due from Interlocal Agreement	423.88	
Interest Earned	<u>67.73</u>	<u>9,618.76</u>
Subtotal		11,869.71
Decreased by:		
Claims Paid		<u>4,811.62</u>
Balance December 31, 2010		<u><u>\$7,058.09</u></u>

EXHIBIT B-4

Schedule of Reserve for Escrow Trust Fund
For the Year Ended December 31, 2010

Balance December 31, 2009		\$14,729.36
Increased by:		
Escrow Deposits	\$86,309.03	
Interest Earned on Investments	<u>76.23</u>	<u>86,385.26</u>
Decreased by:		
Disbursements		<u>27,877.70</u>
Balance December 31, 2010		<u><u>\$73,236.92</u></u>

**BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds**

Statement of Reserve for Law Enforcement - Forfeited Funds
For the Year Ended December 31, 2010

Balance December 31, 2009		\$12,618.51
Increased by:		
Cash Receipts	4,513.40	
Interest Earned on Investments	<u>103.67</u>	<u>4,617.07</u>
		17,235.58
Decreased by:		
Cash Disbursed		<u>10,656.70</u>
Balance December 31, 2010		<u><u>\$6,578.88</u></u>

Schedule of Deposits for Redemption of Tax Sale Certificates
For the Year Ended December 31, 2010

Balance December 31, 2009		\$42,122.65
Increased by:		
Deposits Received		<u>242,661.18</u>
		284,783.83
Decreased by:		
Refunds - Tax Sale Certificates Redeemed		<u>146,171.20</u>
Balance December 31, 2010		<u><u>\$138,612.63</u></u>

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for Off Duty Police
For the Year Ended December 31, 2010

Balance December 31, 2009	-
Increased by:	
Cash Receipts	<u>\$116,214.99</u>
Subtotal	116,214.99
Decreased by:	
Cash Disbursements	<u>85,396.08</u>
Balance December 31, 2010	<u><u>\$30,818.91</u></u>

EXHIBIT B-8

Statement of Reserve for Public Defender Fees
For the Year Ended December 31, 2010

Balance December 31, 2009	\$1,182.12
Increased by:	
Cash Receipts	<u>4,009.00</u>
Subtotal	5,191.12
Decreased by:	
Cash Disbursements	<u> </u>
Balance December 31, 2010	<u><u>\$5,191.12</u></u>

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for POAA Fees
For the Year Ended December 31, 2010

Balance December 31, 2009	\$48.00
Increased by:	
Cash Receipts	<u>22.00</u>
Subtotal	70.00
Decreased by:	
Disbursements	<u>-</u>
Balance December 31, 2010	<u><u>\$70.00</u></u>

EXHIBIT B-10

Statement of Reserve for COAH Fees
For the Year Ended December 31, 2010

Balance December 31, 2009	\$613.93
Increased by:	
Cash Receipts	<u>9.65</u>
Subtotal	623.58
Decreased by:	
Disbursements	<u>623.58</u>
Balance December 31, 2010	<u><u>-</u></u>

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for Police Donations
For the Year Ended December 31, 2010

Balance December 31, 2009		404.48
Increased by:		
Cash Receipts	\$50.00	
Interest Earned	<u>5.22</u>	<u>55.22</u>
Subtotal		459.70
Decreased by:		
Disbursements		<u>252.07</u>
Balance December 31, 2010		<u><u>\$207.63</u></u>

GENERAL CAPITAL FUND

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2010

Balance December 31, 2009		\$223,449.13
Receipts:		
Budget Appropriation -		
Capital Improvement Fund	\$10,000.00	
Bond Anticipation Notes	2,306,685.00	
Due from Camden County Improvement Authority	596,433.54	
Due to Current Fund	<u>783,279.57</u>	
 Total Receipts		 <u>3,696,398.11</u>
Subtotal		3,919,847.24
Disbursements:		
Encumbrances Payable	\$80,351.00	
Improvement Authorizations	964,334.35	
Bond Anticipation Notes	1,261,145.00	
Due to Current Fund	<u>774,419.97</u>	<u>3,080,250.32</u>
 Balance December 31, 2010		 <u><u>\$839,596.92</u></u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2010

Capital Improvement Fund		\$122.10
Due From Current Fund		(32,118.07)
Due from Camden County Improvement Authority		(2,011,283.39)
Due to Federal and State Grant Fund		(25,175.33)
Reserve for Bond Anticipation Notes		31,790.13
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
697-2002	Reappropriation of Ordinance for Purchase of Computers, Computer Software, and General Office Equipment	316.28
772-2006	Acquisition of Loader/Backhoe, Street Sweeper, and Sports Utility Vehicle	121.30
15-2007	Various Improvements: Reconstruction of Various Roads	191.74
1-2008	Fire Station Project	2,003,501.93
11-2008	Various Improvements: Reconstruction and Restoration of Various Roads	0.41
	Acquisition and Field and Tactical Equipment	6,634.82
12-2008	Various Improvements: Reconstruction and Replacement of Sewer Lines	550.27
13-2008	Various Improvements: Acquisition of Sports Utility Vehicle	95.26
	Acquisition of Various Fire Equipment	333.06
09-2009	Various Improvements to Buildings and Grounds Salt and Sand Building	1,700.93
10-2009	Sewer Utility Improvements Repair Thompson Glover and Garfield Inlets	25,178.48
	Miscellaneous Construction	320.00
11-2009	Purchase of Vehicles and Equipment Police Department Equipment	326.05
	Computers and Office Equipment	3,111.38
	Acquisition of Renovated Ambulance	24,556.46
	Fire Department Protective Equipment	7,900.00
02-2010	Completion of Various Roads	(53,470.64)
07-2010	Drainage and Street Improvements - Bell Road	753,157.65
08-2010	Street Improvements - Kings Highway	20,265.85
14-2010	Acquisition of Trash Truck	4,470.25
15-2010	Various Improvements: Acquisition and Installation of Telephone Systems	12,000.00
	Public Works Facilities and Yard	15,000.00
	Improvements to Borough Hall	50,000.00
		<u>50,000.00</u>
	Total	<u><u>\$839,596.92</u></u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2010

Balance December 31, 2009	\$3,000,000.00
Decreased By:	
Serial Bonds Paid	<u>90,000.00</u>
Balance December 31, 2010	<u>\$2,910,000.00</u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	Funded By Budget Appropriation	Transferred to Deferred Taxation Funded	Balance Dec. 31, 2010	ANALYSIS OF BALANCE		
							Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
772-06	Acquisition of Loader/Backhoe, Street Sweeper and Sports Utility Vehicle	\$200,000.00		\$29,000.00		\$171,000.00	\$200,000.00		
15-07	Various Improvements	252,000.00				252,000.00	252,000.00		
11-08	Various Road and Related Improvements	180,960.00				180,960.00	180,960.00		
12-08	Sewer Utility Equipment and Improvements	52,605.00				52,605.00	52,605.00		
13-08	Acquisition of Vehicles and Equipment	111,435.00				111,435.00	111,435.00		
08-09	Various Roads and Related Improvements	82,080.00				82,080.00	82,080.00		
09-09	Various Improvements to Buildings and Grounds	48,165.00				48,165.00	48,165.00		
10-09	Sewer Utility Improvements	67,450.00				67,450.00	67,450.00		
11-09	Various Pieces of Capital Equipment	295,450.00				295,450.00	295,450.00		
2-2010	Various Roads and Improvements		\$118,750.00			118,750.00		\$54,258.83	\$64,491.17
7-2010	Drainage and Related Street Improvements		755,000.00			755,000.00	755,000.00		
8-2010	Kings Highway Streetscape		290,540.00			290,540.00	290,540.00		
14-2010	Acquisition of Trash Truck		85,500.00			85,500.00			85,500.00
	Total	\$1,290,145.00	\$1,249,790.00	\$29,000.00	\$0.00	\$2,510,935.00	\$2,335,685.00	\$54,258.83	\$149,991.17

Improvement Authorizations Unfunded		\$1,056,580.01
Less Unexpended Proceeds of Bond Anticipation Notes Issued:		
Ord. 772-2006	\$121.30	
Ord. 15-2007	191.74	
Ord. 11-2008	0.41	
Ord. 12-2008	550.27	
Ord. 13-2008	428.32	
Ord. 08-2009	0.00	
Ord. 09-2009	1,700.93	
Ord. 10-2009	25,178.48	
Ord. 11-2009	27,993.89	
Ord. 07-2010	753,157.65	
Ord. 08-2010	20,265.85	
Ord. 15-2010	77,000.00	906,588.84
		<u>\$149,991.17</u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Capital Improvement Fund
 For the Year Ended December 31, 2010

Balance December 31, 2009		\$80.00
Increased by:		
Improvement Authorization Canceled	\$792.10	
2010 Budget Appropriation	<u>10,000.00</u>	<u>10,792.10</u>
Subtotal		10,872.10
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>10,750.00</u>
Balance December 31, 2010		<u><u>\$122.10</u></u>

Schedule of Encumbrances Payable
 For the Year Ended December 31, 2010

Balance December 31, 2009		\$89,785.00
Increased by:		
Current Year Encumbrances		<u>14,854.82</u>
		104,639.82
Decreased by:		
Cash Disbursed	\$82,781.00	
Canceled	<u>7,004.00</u>	<u>89,785.00</u>
Balance December 31, 2010		<u><u>\$14,854.82</u></u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date	Ordinance		Balance December 31, 2009		Reallocation of Unfunded Appropriations Per Ordinance	Capital Improvement Fund	2010 AUTHORIZATIONS		Paid or Charged	Reserve for Debt Cancel Unfunded Appropriation	Cancel Prior Year Encumbrance	Balance December 31, 2010		
			Date	Amount	Funded	Unfunded			Deferred Charges To Future Taxation - Unfunded	Funded				Unfunded		
697-2002	Reappropriation of Ordinance for Purchase of Computers, Computer Software, and General Office Equipment	06/13/02	\$11,478.77		\$316.28										\$316.28	
772-2006	Acquisition of Loader/Backhoe, Street Sweeper and Sports Utility Vehicle	12/19/06	270,000.00			\$121.30										\$121.30
15-2007	Various Improvements:															
	Reconstruction of Various Roads	12/06/07	209,000.00			2,878.24				\$2,686.50						191.74
1-2008	Fire Station Project	03/06/08	3,000,000.00		2,563,499.89					561,777.96			\$1,780.00	2,003,501.93		
11-2008	Various Improvements:															
	Reconstruction and Restoration of Various Roads	09/04/08	188,700.00			36,771.38	(\$33,145.00)			3,388.74	\$237.64					
	Installation of Handicap Ramps	09/04/08	26,300.00			3,855.41	(3,855.00)									0.41
12-2008	Various Improvements:															
	Acquisition of Specialty Tools and Equipment	09/04/08	10,500.00			1,152.48				1,152.48						
	Reconstruction and Replacement of Sewer Lines	09/04/08	52,000.00			3,754.04				3,203.77						550.27
13-2008	Various Improvements:															
	Acquisition of Sport Utility Vehicle	09/04/08	53,100.00			95.26										95.26
	Acquisition of Various Fire Equipment	09/04/08	37,500.00			333.06										333.06
08-2009	Various Roads and Related Improvements															
	Miscellaneous Construction	06/04/09	69,600.00			2,033.99	(\$442.00)			1,447.99	144.00					
	Installation of Speed Bumps	06/04/09	10,500.00	493.19		9,975.00	(10,500.00)			(31.81)						
	Replacement of Road Signs	06/04/09	6,300.00			5,500.61	(4,558.00)			942.61						
09-2009	Various Improvements to Buildings and Grounds															
	Salt and Sand Building	06/04/09	34,900.00			23,060.30	(15,000.00)			3,566.57	2,792.80					1,700.93
	Miscellaneous Improvements	06/04/09	15,800.00			4,044.42				4,044.42						
10-2009	Sewer Utility Improvements															
	Repair Thompson Glover and Garfield Inlets	06/04/09	39,700.00	1,800.94		37,715.00	(11,000.00)				3,337.46					25,178.48
	Miscellaneous Construction	06/04/09	31,300.00			4,473.33				4,473.33						
11-2009	Purchase of Vehicles and Equipment															
	Police Department Equipment	06/04/09	31,700.00			1,041.39	(702.00)				13.34					326.05
	Fire Department Protective Equipment	06/04/09	85,600.00			843.57				8,497.57			7,654.00			
	Public Works Equipment	06/04/09	138,700.00			14,794.82	(13,798.00)			996.82						
	Computers and Office Equipment	06/04/09	4,000.00			3,111.38										3,111.38
	Acquisition of Renovated Ambulance	06/04/09	51,000.00			24,556.46										24,556.46
	Subtotal Forward					<u>\$2,566,110.30</u>	<u>\$180,111.44</u>	<u>(\$93,000.00)</u>	<u>-</u>	<u>-</u>	<u>\$596,146.95</u>	<u>\$6,525.24</u>	<u>\$9,434.00</u>	<u>\$2,003,818.21</u>	<u>\$56,165.34</u>	

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date	Balance December 31, 2009		Reallocation of Unfunded Appropriations Per Ordinance	Capital Improvement Fund	2010 AUTHORIZATIONS		Paid or Charged	Reserve for Debt Cancel Unfunded Appropriation	Cancel Prior Year Encumbrance	Balance December 31, 2010	
			Funded	Unfunded			Deferred Charges To Future Taxation - Unfunded	Unfunded				Funded	Unfunded
	Balance Forward		\$2,566,110.30	\$180,111.44	(\$93,000.00)	-	-	\$596,146.95	\$6,525.24	\$9,434.00	\$2,003,818.21	\$56,165.34	
02-2010	Completion of Various Roads												
	Reconstruction of Various Roads	04/01/10				3,150.00	59,850.00	23,028.30				39,971.70	
	Replace Inlet/Spillway	04/01/10				850.00	16,150.00	61.81			788.19	16,150.00	
	Complete Streetscape II Project	04/01/10				1,250.00	23,750.00	17,359.65				7,640.35	
	Reconstruct Delaware Ave	04/01/10				1,000.00	19,000.00	19,270.88				729.12	
07-2010	Drainage and Street Improvements - Bell Road	06/03/10					755,000.00	1,842.35				753,157.65	
08-2010	Streetscape Improvements - Kings Highway	06/03/10					290,540.00	270,274.15				20,265.85	
14-2010	Acquisition of Trash Truck	12/02/10				4,500.00	85,500.00	29.75			4,470.25	85,500.00	
15-2010	Reallocation of Unfunded Appropriations												
	Acquisition of Field and Tactical Equipment	12/02/10			10,000.00			10,000.00					
	Acquisition and Installation of Tele. Systems	12/02/10			12,000.00							12,000.00	
	Public Works Facilities and Yard	12/02/10			15,000.00							15,000.00	
	Construction of Truck Wash	12/02/10			6,000.00			6,000.00					
	Improvements to Borough Hall	12/02/10			50,000.00							50,000.00	
72	Total		<u>\$2,566,110.30</u>	<u>\$180,111.44</u>	<u>-</u>	<u>\$10,750.00</u>	<u>\$1,249,790.00</u>	<u>\$944,013.84</u>	<u>\$6,525.24</u>	<u>\$9,434.00</u>	<u>\$2,009,076.65</u>	<u>\$1,056,580.01</u>	
	Encumbrances payable							\$14,854.82					
	Interfund Receivable - Due from Federal and State Grant Fund							(25,175.33)					
	Interfund Receivable - Due from Current Fund							(10,000.00)					
	Cash Disbursed							<u>964,334.35</u>					
	Total							<u>\$944,013.84</u>					

Borough of Mount Ephraim
 General Capital Fund
 Statement of General Serial Bonds
 For the Year Ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2010</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>					
Borough Guaranteed Bonds - 2009	05/01/94	\$3,000,000.00	05/01/11	\$95,000.00		<u>\$3,000,000.00</u>		<u>\$90,000.00</u>	<u>\$2,910,000.00</u>
			05/01/12	100,000.00					
			05/01/13	105,000.00					
			05/01/14	110,000.00					
			05/01/15	120,000.00					
			05/01/16	125,000.00					
			05/01/17	130,000.00					
			05/01/18	140,000.00					
			05/01/19	140,000.00					
			05/01/20	140,000.00					
			05/01/21	150,000.00					
			05/01/22	155,000.00					
			05/01/23	165,000.00					
			05/01/24	175,000.00					
			05/01/25	185,000.00					
			05/01/26	200,000.00					

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2010</u>
2008-772	Purchase of Equipment	1/8/2007	10/26/2009	10/25/2010	1.12%	\$200,000.00		\$200,000.00	
2006-772	Purchase of Equipment	1/8/2007	10/22/2010	10/21/2011	1.03%		\$171,000.00		\$171,000.00
2007-15	Various Improvements	1/8/2008	10/26/2009	10/25/2010	1.12%	252,000.00		252,000.00	
15-2007	Various Improvements	1/8/2008	10/22/2010	10/21/2011	1.03%		252,000.00		252,000.00
11-2008	Various Road and Related Improvements	10/25/2008	10/26/2009	10/25/2010	1.12%	180,960.00		180,960.00	
11-2008	Various Road and Related Improvements	10/28/2008	10/22/2010	10/21/2011	1.03%		180,960.00		180,960.00
12-2008	Sewer Utility Equipment and Improvements	10/25/2008	10/26/2009	10/25/2010	1.12%	52,605.00		52,605.00	
12-2008	Sewer Utility Equipment and Improvements	10/28/2008	10/22/2010	10/21/2011	1.03%		52,605.00		52,605.00
13-2008	Acquisition of Vehicles and Equipment	10/25/2008	10/26/2009	10/25/2010	1.12%	111,435.00		111,435.00	
13-2008	Acquisition of Vehicles and Equipment	10/28/2008	10/22/2010	10/21/2011	1.03%		111,435.00		111,435.00
08-2009	Various Road and Related Improvements	10/25/2008	10/26/2009	10/25/2010	1.12%	82,080.00		82,080.00	
08-2009	Various Road and Related Improvements	10/26/2009	10/22/2010	10/21/2011	1.03%		82,080.00		82,080.00
09-2009	Various Improvements to Buildings and Grounds	10/26/2009	10/26/2009	10/25/2010	1.12%	48,165.00	48,165.00	48,165.00	48,165.00
09-2009	Various Improvements to Buildings and Grounds	10/26/2009	10/22/2010	10/21/2011	1.03%				
10-2009	Sewer Utility Improvements	10/26/2009	10/26/2009	10/25/2010	1.12%	67,450.00	67,450.00	67,450.00	67,450.00
10-2009	Sewer Utility Improvements	10/26/2009	10/22/2010	10/21/2011	1.03%				
11-2009	Various Pieces of Capital Equipment	10/26/2009	10/26/2009	10/25/2010	1.12%	295,450.00	295,450.00	295,450.00	295,450.00
11-2009	Various Pieces of Capital Equipment	10/26/2009	10/22/2010	10/21/2011	1.03%				
7-2010	Drainage and Related Street Improvements	7/19/2010	7/19/2010	7/18/2011	1.24%		755,000.00		755,000.00
8-2010	Kings Highway Streetscape	7/19/2010	7/19/2010	7/18/2011	1.24%		290,540.00		290,540.00
						<u>\$1,290,145.00</u>	<u>\$2,306,685.00</u>	<u>\$1,290,145.00</u>	<u>\$2,306,685.00</u>
							Issued for cash		\$1,045,540.00
							Paid by Budget Appropriation		\$29,000.00
							Renewals	1,261,145.00	1,261,145.00
							Total	<u>\$2,306,685.00</u>	<u>\$1,290,145.00</u>

BOROUGH OF MOUNT EPHRAIM
 General Capital Fund
 Statement of Obligations Under Capital lease
 For the Year Ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>					
Various Capital Improvements	12/21/05	\$725,000.00	11/15/11	\$29,000.00	3.20% - 4.62%	<u>\$625,000.00</u>	<u>—</u>	<u>\$28,000.00</u>	<u>\$597,000.00</u>
			11/15/12	29,000.00					
			11/15/13	31,000.00					
			11/15/14	33,000.00					
			11/15/15	34,000.00					
			11/15/16	36,000.00					
			11/15/17	38,000.00					
			11/15/18	39,000.00					
			11/15/19	41,000.00					
			11/15/20	42,000.00					
			11/15/21	44,000.00					
			11/15/22	47,000.00					
			11/15/23	49,000.00					
			11/15/24	51,000.00					
11/15/25	54,000.00								

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2009</u>	<u>2010 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2010</u>
2-2010	Various Roads and Improvements		\$118,750.00		\$118,750.00
7-2010	Drainage Related Street Improvements		755,000.00	\$755,000.00	
8-2010	Kings Highway Streetscape		290,540.00	290,540.00	
14-2010	Acquisition of a Trash Truck		85,500.00		85,500.00
	Total	-	<u>\$1,249,790.00</u>	<u>\$1,045,540.00</u>	<u>\$204,250.00</u>

WATER UTILITY FUND

BOROUGH OF MOUNT EPHRAIM
Water Utility Operating Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2010

	<u>OPERATING</u>	
Balance December 31, 2009		\$2,462.76
Receipts:		
Miscellaneous Revenue	<u>\$41.77</u>	
Total Receipts		<u>41.77</u>
Subtotal		2,504.53
Disbursements:		
Operating Surplus Transferred to Current Fund		<u>2,504.53</u>
Balance December 31, 2010		<u><u>-</u></u>

BOROUGH OF MOUNT EPHRAIM
Water Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2010

Balance December 31, 2009		\$4,247.28
Decreased by:		
Collections - Received in Current Fund	\$1,500.00	
Canceled	303.71	
Operating Surplus Transferred to Current Fund	2,443.57	4,247.28
Balance December 31, 2010		-

BOROUGH OF MOUNT EPHRAIM

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2010

BOROUGH OF MOUNT EPHRAIM
Schedule of Findings and Recommendations
For the Year Ended December 31, 2010

Schedule of Financial Statement Findings

This section identifies the reportable conditions, 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 requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding 2010-1

Condition:

The state contract for fire equipment was not approved by resolution in the minutes

Criteria:

The Local Public Contract law requires that purchases made under state contract be approved by resolution in the minutes.

Effect:

Violation of the Local Public Contracts Law.

Cause:

Oversight.

Recommendation:

That purchases made by state contract be approved in the minutes by resolution.

View of Responsible Official and Planned Corrective Action:

The responsible official will address the recommendation in the corrective action plan.

Finding 2010-2

Condition:

A corrective action plan was not prepared for the prior year audit recommendation.

Criteria:

The Division of Local Government Services requires a correction action plan to be prepared by the Chief Financial Officer for all prior year recommendations.

Effect:

Noncompliance with directives from the Division of Local Government Services.

Cause:

Oversight.

Recommendation:

That a corrective action plan be prepared for all recommendations.

View of Responsible Official and Planned Corrective Action:

The responsible official will address the recommendation in the corrective action plan.

**BOROUGH OF MOUNT EPHRAIM
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010**

**Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

BOROUGH OF MOUNT EPHRAIM
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal and state grant awards that are required to be reported in accordance with Government Auditing Standards and New Jersey OMB's Circular 04-04.

FINANCIAL STATEMENT FINDINGS

Finding 2009-1

A contract for the Streetscape Project Phase II was awarded prior to having the funding source available.

Current Status:

Corrective action has been implemented.

FEDERAL AWARDS

A Federal Single Audit was not required.

STATE AWARDS

A State Single Audit was not required.

BOROUGH OF MOUNT EPHRAIM

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 Coverage</u>	<u>Name Of Surety</u>
Joseph Wolk	Mayor		
Andrew Gilmore	Commissioner		
Bruce Greenwald	Commissioner		
Terry Shannon	Borough Clerk	\$1,000,000.00	(A)
David McPeak	Chief Financial Officer	\$1,000,000.00	(A)
Marie Darlington	Tax Collector	\$1,000,000.00	(A)
Ethel Hartman	Registrar of Vital Statistics	\$1,000,000.00	(A)
Tara Martin	Construction Clerk	\$1,000,000.00	(A)
Steven R. Beach	Construction Code Official	\$1,000,000.00	(A)
Steve Kessler	Tax Assessor	\$1,000,000.00	(A)

(A) Employees are covered by the Public Employees Dishonesty Blanket Bond with the Camden County Municipal Joint Insurance Fund in the amount of \$50,000 and an excess liability bond in the amount of \$950,000 with the Municipal Excess Liability Fund.

ACKNOWLEDGMENT

We express our appreciation for the assistance and courtesies extended to us by the Borough Officials during the course of the audit.

Respectfully submitted,

INVERSO & STEWART, LLC

A handwritten signature in black ink, appearing to read "R P A", is positioned above the printed name of the signatory.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

March 8, 2011