

BOROUGH OF MOUNT EPHRAIM
County of Camden

Report of Audit of Financial Statements

For the Year Ended December 31, 2013

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, 2013

INVERSO & STEWART, LLC

Certified Public 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

Report on the Financial Statements

I 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, 2013 and 2012, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance 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, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In my opinion, the financial statements referred to previously 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, 2013 and 2012, and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2013 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.

Other Information

My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements

The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 28, 2014 on my consideration of the Borough of Mount Ephraim's, in the County of Camden, State of New Jersey, internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Mount Ephraim's internal control over financial reporting.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 28, 2014

INVERSO & STEWART, LLC

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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*

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the 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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Borough of Mount Ephraim, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued my report thereon dated March 28, 2014. That report indicated that the Borough of Mount Ephraim's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Borough of Mount Ephraim's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, I do not express an opinion on the effectiveness of the Borough of Mount Ephraim's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Mount Ephraim's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying *Schedule of Findings and Questioned Costs* as Finding no.: 2013-1.

The Borough of Mount Ephraim's Response to Findings

The Borough of Mount Ephraim's response to the findings identified in my report is described in the accompanying *Schedule of Findings and Questioned Costs*. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 28, 2014

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2013 and 2012

	<u>REFERENCE</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 665,236.68	\$ 1,105,262.46
Cash - Change Fund - Collector	A-5	<u>150.00</u>	<u>150.00</u>
Total		<u>665,386.68</u>	<u>1,105,412.46</u>
Due State of New Jersey -			
Veterans and Senior Citizens Deductions	A-6	<u>2,777.28</u>	<u>2,277.28</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	216,545.19	210,516.89
Tax Title Liens Receivable	A-8	73,244.21	67,825.65
Property Acquired for Taxes - Assessed Valuation	A-9	9,400.00	9,400.00
Sewer Rents Receivable	A-10	20,447.22	19,280.34
Revenue Accounts Receivable	A-11	11,998.16	9,969.80
Due from Animal Control Fund	B	617.08	3,455.92
Due from Trust - Other Fund	B	23,389.04	22,329.44
Due from Federal and State Grant Fund	A	<u>50,652.03</u>	<u>50,652.03</u>
Total		<u>406,292.93</u>	<u>393,430.07</u>
Total Regular Fund		<u>1,074,456.89</u>	<u>1,501,119.81</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	1,233,469.73	752,660.79
Federal and State Grants Receivable	A-21	75,002.13	422,272.60
Due from Current Fund	A	<u>15,185.07</u>	<u>15,185.07</u>
Total Federal and State Grant Fund		<u>1,323,656.93</u>	<u>1,190,118.46</u>
Total Assets		<u>\$ 2,398,113.82</u>	<u>\$ 2,691,238.27</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2013 and 2012

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2013</u>	<u>2012</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 92,262.82	\$ 164,858.76
Encumbrances Payable	A-3,A-12	55,014.37	492.03
Tax Overpayments	A-13	2,670.19	31,216.01
Prepaid Taxes	A-14	45,309.08	31,099.06
Local School Taxes Payable	A-15	-	427,613.83
Due County for Added and Omitted Taxes	A-16	1,250.22	1,515.86
Sewer Rent Overpayments	A-17	688.93	416.07
Due to Federal and State Grant Fund	A	15,185.07	15,185.07
Due to Other Trust Fund	B	57,190.53	57,190.53
Due to General Capital Fund	C	16,485.04	48,481.00
Due State of New Jersey - Marriage License Fees	A-18	100.00	75.00
Due State of New Jersey - DCA Fees	A-19	322.00	301.00
Other Liability		2,250.00	
Reserve for Codification of Ordinances	A-20	<u>17,071.50</u>	<u>17,071.50</u>
 Total Liabilities		 305,799.75	 795,515.72
 Reserve for Receivables and Other Assets	 A	 406,292.93	 393,430.07
Fund Balance	A-1	<u>362,364.21</u>	<u>312,174.02</u>
 Total Regular Fund		 <u>1,074,456.89</u>	 <u>1,501,119.81</u>
Federal and State Grant Fund:			
Encumbrances Payable		2,106.14	10,208.70
Due to Current Fund	A	50,652.03	50,652.03
Due to General Capital Fund	C	1,044,940.80	812,990.80
Unappropriated Reserves	A-22	138,191.31	
Appropriated Reserves	A-23	<u>87,766.65</u>	<u>316,266.93</u>
 Total Federal and State Grant Fund		 <u>1,323,656.93</u>	 <u>1,190,118.46</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 2,398,113.82</u>	 <u>\$ 2,691,238.27</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, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 237,500.00	\$ 220,000.00
Miscellaneous Revenue Anticipated	1,111,341.73	1,181,947.51
Receipts from Delinquent Taxes	210,626.07	200,739.72
Receipts from Current Taxes	11,335,899.66	11,196,770.29
Nonbudget Revenues	112,810.23	183,768.29
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	51,926.24	44,353.42
Cancelation of Encumbrances Payable		2,044.90
Liquidation of Interfunds	2,838.84	47.31
Cancelation of Reserve Balances		366.56
Total Revenue and Other Income Realized	<u>13,062,942.77</u>	<u>13,030,038.00</u>
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	1,866,141.16	1,800,765.69
Other Expenses	1,784,743.84	1,744,629.31
Deferred Charges and Statutory Expenditures Within "CAPS"	404,433.84	383,478.31
Operations Excluded from "CAPS":		
Salaries and Wages		2,000.00
Other Expenses	91,196.07	194,254.43
Capital Improvements Excluded from "CAPS"	10,000.00	10,000.00
Municipal Debt Service Excluded from "CAPS"	434,914.03	420,167.31
Deferred Charges and Statutory Expenditures Excluded from "CAPS"		35,000.00
County Taxes	2,522,478.42	2,519,481.47
Due County for Added Taxes	1,250.22	1,515.86
Local School District Tax	5,659,595.00	5,644,482.00
Interfund Created		
Prior Year Senior Citizens Disallowed	500.00	
Subtotal	<u>12,775,252.58</u>	<u>12,755,774.38</u>
Less: Expenditures to be Raised by Future Taxes		
Total Expenditures	<u>12,775,252.58</u>	<u>12,755,774.38</u>
Statutory Excess to Fund Balance (Carried Forward)	287,690.19	274,263.62

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Statutory Excess to Fund Balance (Brought Forward)	\$ 287,690.19	\$ 274,263.62
Fund Balance January 1	<u>312,174.02</u>	<u>259,955.30</u>
Total	599,864.21	534,218.92
Decreased by Utilization as Anticipated Revenue	<u>237,500.00</u>	<u>220,000.00</u>
Fund Balance December 31	<u><u>\$ 362,364.21</u></u>	<u><u>\$ 314,218.92</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2013

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 237,500.00		\$ 237,500.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	3,000.00		3,930.00	\$ 930.00
Other	8,000.00		8,785.00	785.00
Fees and Permits	15,000.00		14,916.00	(84.00)
Fines and Costs:				
Municipal Court	150,000.00		134,241.84	(15,758.16)
Interest and Costs on Taxes	47,000.00		52,811.16	5,811.16
Sewer Rents	225,000.00		231,302.59	6,302.59
Cable TV Franchise Fees	60,000.00		60,489.96	489.96
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	29,521.00		29,521.00	-
Energy Receipts Tax	384,183.00		384,182.52	(0.48)
Uniform Construction Code	18,000.00		33,058.00	15,058.00
Reserve for Debt Service	31,995.96		31,995.96	-
Billboard Lease	40,000.00		60,271.63	20,271.63
Special Items Offset with Appropriations:				
Drunk Driving Enforcement Fund				
Clean Communities Program		\$ 8,522.90	8,522.90	
Body Armor Grant		2,755.98	2,755.98	
Community Recreation Facilities Enhancement		50,000.00	50,000.00	
Recycling Tonnage Grant		3,554.47	3,554.47	
Alcohol Education Rehabilitation		1,002.72	1,002.72	
Total	<u>1,011,699.96</u>	<u>65,836.07</u>	<u>1,111,341.73</u>	<u>33,805.70</u>
Receipts from Delinquent Taxes	189,000.00		210,626.07	21,626.07
Amount to be Raised by Taxes for Support of Municipal Budget -				
Local Tax for Municipal Purposes	<u>3,404,625.36</u>		<u>3,433,737.50</u>	<u>29,112.14</u>
Budget Totals	4,842,825.32	65,836.07	4,993,205.30	84,543.91
Nonbudget Revenues			<u>112,810.23</u>	<u>112,810.23</u>
Total	<u>\$ 4,842,825.32</u>	<u>\$ 65,836.07</u>	<u>\$ 5,106,015.53</u>	<u>\$ 197,354.14</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2013

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 11,335,899.66
Allocated to School and County Taxes	<u>8,183,323.64</u>
Balance for Support of Municipal Budget Appropriations	3,152,576.02
Add Appropriation - Reserve for Uncollected Taxes	<u>281,161.48</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 3,433,737.50</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 210,626.07</u>
Miscellaneous Revenue:	
Recycling	11,798.92
Payment in Lieu of Taxes	34,260.40
Interest Earned on Investments	11,709.26
Sewer Interest and Costs	8,869.73
Photocopies	1,443.35
Restitution	505.00
Vets and Senior Citizen Administrative Fee	1,371.47
DMV Fines	3,948.08
Property Maintenance	968.72
FEMA	29,384.77
Trash Collection	7,517.37
Miscellaneous	<u>1,033.16</u>
Total	<u>\$ 112,810.23</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, 2013

	<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	\$ 8,750.00	\$ 8,799.96	\$ 8,799.96		
Other Expenses	2,000.00	3,300.00	3,271.00	\$ 29.00	
Municipal Clerk					
Salaries and Wages	12,500.00	12,500.00	12,474.80	25.20	
Other Expenses	39,000.00	37,700.00	36,539.58	1,160.42	
Financial Administration:					
Salaries and Wages	50,000.00	46,300.00	45,689.74	610.26	
Other Expenses	16,300.00	16,800.00	16,067.24	732.76	
Audit Services					
Other Expenses	25,000.00	25,000.00	25,000.00		
Collection of Taxes:					
Salaries and Wages	85,500.00	79,082.76	79,082.76		
Other Expenses	11,000.00	5,233.62	4,654.32	579.30	
Liquidation of Tax Title Liens					
Other Expenses	1,500.00	772.80	772.80		
Tax Assessment Administration					
Salaries and Wages	15,585.00	15,585.00	15,180.91	404.09	
Other Expenses	2,000.00	2,000.00	1,776.18	223.82	
Legal Services and Costs					
Other Expenses	46,000.00	46,000.00	43,310.92	2,689.08	
Engineering Services and Costs					
Other Expenses	15,000.00	52,000.00	47,110.65	4,889.35	
Municipal Land Use Law (N.J.S.A. 40:SSD-1):					
Planning Board:					
Salaries and Wages	9,460.00	9,460.00	9,370.29	89.71	
Other Expenses	10,000.00	19,000.00	13,709.60	5,290.40	
Insurance:					
Surety Bond Premium					
Group Insurance	725,000.00	718,368.32	714,745.82	3,622.50	
Liability Insurance	107,020.00	104,093.96	104,093.96		
Workers Compensation	101,175.00	98,245.92	98,245.92		
Health Benefit Waiver	49,000.00	58,380.03	58,380.03		

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
Police					
Salaries and Wages	\$ 1,142,000.00	\$ 1,159,326.98	\$ 1,159,326.98		
Other Expenses	49,000.00	41,000.00	39,387.10	\$ 1,612.90	
Civil Defense and Disaster Control					
Salaries and Wages	1,365.00	1,365.00	1,363.98	1.02	
Other Expenses	6,000.00	4,779.19	4,779.19	0.00	
Aid to Volunteer Fire Companies					
Other Expenses	48,500.00	48,920.00	48,920.00		
First Aid Organization - Contribution	9,500.00	10,000.00	9,800.02	199.98	
Fire Hydration Service	56,000.00	56,000.00	46,644.82	9,355.18	
Road Repairs and Maintenance					
Salaries and Wages	168,000.00	176,084.08	176,084.08		
Other Expenses	20,000.00	15,000.00	13,536.63	1,463.37	
Garbage and Trash Collection					
Salaries and Wages	143,900.00	122,457.34	122,457.34		
Other Expenses	1,500.00	1,500.00	770.90	729.10	
Solid Waste Disposal					
Other Expenses	95,000.00	90,000.00	85,629.12	4,370.88	
Public Buildings and Grounds					
Salaries and Wages	100.00	100.00		100.00	
Other Expenses	22,000.00	28,000.00	27,521.65	478.35	
Sewer System					
Salaries and Wages	94,000.00	75,000.04	75,000.04	0.00	
Other Expenses	29,000.00	30,000.00	29,393.00	607.00	
Vehicle Maintenance					
Other Expenses	41,000.00	40,500.00	39,680.83	819.17	
Health and Human Services					
Registrar of Vital Statistics					
Salaries and Wages	1,900.00	1,900.00	1,722.88	177.12	
Other Expenses	650.00	650.00		650.00	
Parks and Recreation Functions					
Recreation Services and Programs					
Other Expenses	4,000.00	4,000.00	3,376.31	623.69	

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
Senior Citizen Transportation					
Other Expenses	\$ 3,000.00	\$ 3,000.00		\$ 3,000.00	
Environmental Commission					
Other Expenses	100.00	100.00		100.00	
Other Common Operating Functions					
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	2,000.00	2,000.00	\$ 1,115.00	885.00	
Utility and Bulk Purchases					
Electricity	60,000.00	57,000.00	51,684.72	5,315.28	
Street Lights	55,000.00	58,000.00	53,443.59	56.41	\$ 4,500.00
Telephone	27,000.00	27,000.00	26,615.58	384.42	
Fuel Oil	500.00	500.00		500.00	
Gasoline	77,500.00	77,500.00	73,665.03	3,834.97	
Sewer	2,500.00	2,500.00	1,748.25	751.75	
Municipal Court Functions					
Municipal Court					
Salaries and Wages	100,000.00	100,000.00	75,799.03	24,200.97	
Other Expenses	24,000.00	24,000.00			24,000.00
Uniform Construction Code					
State Uniform Construction Code					
Construction Code Official					
Salaries and Wages	50,650.00	49,950.00	49,658.13	291.87	
Other Expenses	2,500.00	3,200.00	3,073.51	126.49	
Inspection of Rentals and Certification of Habitability					
Salaries and Wages	6,530.00	6,530.00	5,882.44	647.56	
Other Expenses	150.00	150.00		150.00	
Stormwater Regulation					
Salaries and Wages	1,700.00	1,700.00	1,423.32	276.68	
Other Expenses	1,050.00	1,050.00	1,050.00		
Total Operations Including Contingent - Within "CAPS"	<u>3,679,385.00</u>	<u>3,679,385.00</u>	<u>3,568,829.95</u>	<u>82,055.05</u>	<u>28,500.00</u>
Detail:					
Salaries and Wages	1,891,940.00	1,866,141.16	1,839,316.68	26,824.48	
Other Expenses	1,787,445.00	1,813,243.84	1,729,513.27	55,230.57	28,500.00

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
DEFERRED CHARGES					
Deficit in Animal Control Fund	\$ 3,838.84	\$ 3,838.84	\$ 3,838.84		
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees Retirement System	67,175.00	68,677.47	68,677.47		
Police & Fireman's Retirement System	246,514.00	246,514.00	246,514.00		
Defined Contribution Retirement System	1,000.00				
Social Security System (O.A.S.I.)	76,906.00	76,906.00	72,072.80	\$ 4,833.20	
Unemployment Compensation Insurance	9,000.00	8,497.53	3,218.22	5,279.31	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>404,433.84</u>	<u>404,433.84</u>	<u>394,321.33</u>	<u>10,112.51</u>	
Total General Appropriations - For Municipal Purposes Within "CAPS"	<u>4,083,818.84</u>	<u>4,083,818.84</u>	<u>3,963,151.28</u>	<u>92,167.56</u>	<u>\$ 28,500.00</u>
GENERAL APPROPRIATIONS:					
Operations Excluded from "CAPS":					
Recycling Tax	4,000.00	4,000.00	904.74	95.26	3,000.00
Group Health Insurance					
Total Other Operations Excluded from "CAPS":	<u>4,000.00</u>	<u>4,000.00</u>	<u>904.74</u>	<u>95.26</u>	<u>3,000.00</u>
Interlocal Municipal Service Agreements					
Borough of Barrington					
Shared Truck Wash					
Other Expenses	4,000.00	4,000.00			4,000.00
Borough of Barrington					
Municipal Clerk					
Other Expenses	24,360.00	24,360.00	24,360.00		
Total Interlocal Municipal Service Agreements	<u>28,360.00</u>	<u>28,360.00</u>	<u>24,360.00</u>		<u>4,000.00</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Excluded from "CAPS":					
Public and Private Programs Offset by Revenues:					
Alcohol Education/Rehabilitation		\$ 1,002.72	\$ 1,002.72		
Body Armor Grant		2,755.98	2,755.98		
Clean Communities Grant		8,522.90	8,522.90		
County Recreation Facilities Enhancement		50,000.00	50,000.00		
Recycling Tonnage Grant		3,554.47	3,554.47		
		<u>65,836.07</u>	<u>65,836.07</u>		
Total Public and Private Programs Offset by Revenues		<u>65,836.07</u>	<u>65,836.07</u>		
Total Operations - Excluded From "CAPS"	<u>\$ 32,360.00</u>	<u>98,196.07</u>	<u>91,100.81</u>	<u>\$ 95.26</u>	<u>\$ 7,000.00</u>
Detail:					
Salaries and Wages					
Other Expenses	32,360.00	98,196.07	91,100.81	95.26	7,000.00
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>10,000.00</u>	<u>10,000.00</u>		
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	105,000.00	105,000.00	105,000.00		
Payment of Bond Anticipation Notes and Capital Notes	112,000.00	112,000.00	112,000.00		
Interest on Bonds	139,782.00	139,782.00	139,780.05		1.95
Interest on Notes	22,999.00	22,999.00	22,430.44		568.56
Capital Lease Obligations Approved Prior to 7/1/07					
Principal	31,000.00	31,000.00	31,000.00		
Interest	24,704.00	24,704.00	24,703.54		0.46
Total Municipal Debt Service - Excluded From "CAPS"	<u>435,485.00</u>	<u>435,485.00</u>	<u>434,914.03</u>		<u>570.97</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	<u>\$ 477,845.00</u>	<u>\$ 543,681.07</u>	<u>\$ 536,014.84</u>	<u>\$ 95.26</u>	<u>\$ 7,570.97</u>
Subtotal General Appropriations	4,561,663.84	4,627,499.91	4,499,166.12	92,262.82	36,070.97
Reserve for Uncollected Taxes	<u>281,161.48</u>	<u>281,161.48</u>	<u>281,161.48</u>		
TOTAL GENERAL APPROPRIATIONS	<u><u>\$ 4,842,825.32</u></u>	<u><u>\$ 4,908,661.39</u></u>	<u><u>\$ 4,780,327.60</u></u>	<u><u>\$ 92,262.82</u></u>	<u><u>\$ 36,070.97</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

Analysis of Budget After Modification:

Original Budget	\$ 4,842,825.32	
By Appropriation 40A:4-87	<u>65,836.07</u>	
		<u>\$ 4,908,661.39</u>

Analysis of Paid or Charged:

Reserve for Federal and State Grants - Appropriated	\$ 65,836.07	
Reserve for Uncollected Taxes	281,161.48	
Reserve for Encumbrances	55,014.37	
Due to Animal Control Fund	3,838.84	
Cash Disbursed	<u>4,374,476.84</u>	
 Total		 <u>\$ 4,780,327.60</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, 2013 and 2012

	<u>REFERENCE</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Animal Control Fund:			
Deficit in Animal Control Fund	B-2	\$ 1,506.84	\$ 3,838.84
Total Animal Control Fund		<u>1,506.84</u>	<u>3,838.84</u>
Other Funds:			
Cash - Treasurer	B-1	156,344.12	125,562.07
Due from Current Fund	A	57,190.53	57,190.53
Accounts Receivable		2,372.71	2,612.73
Total Other Funds		<u>215,907.36</u>	<u>185,365.33</u>
Total Assets		<u>\$ 217,414.20</u>	<u>\$ 189,204.17</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Deficit - Cash	B-1	\$ 888.56	\$ 382.92
Due State of New Jersey		1.20	
Due Current Fund	A	617.08	3,455.92
Total Animal Control Fund		<u>1,506.84</u>	<u>3,838.84</u>
Other Funds:			
Due Current Fund	A	23,389.04	22,329.44
Reserve for :			
Unemployment Compensation	B-3	3,218.33	4,517.32
Escrow Trust Fund	B-4	95,236.48	76,458.70
Law Enforcement - Forfeited Funds	B-5	6,413.26	11,499.14
Tax Title Lien Redemption Trust	B-6	74,393.71	61,157.42
Off Duty Police	B-7	7,475.13	5,195.19
Public Defender Fees	B-8	5,593.82	4,082.82
POAA Fees	B-9	67.05	55.05
Police Donations	B-10	120.54	70.25
Total Other Funds		<u>215,907.36</u>	<u>185,365.33</u>
Total Liabilities and Reserves		<u>\$ 217,414.20</u>	<u>\$ 189,204.17</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, 2013 and 2012

	<u>REFERENCE</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$ 59,628.89	\$ 109,058.56
Due from Current Fund	A	16,485.04	48,481.00
Due from Federal and State Grant Fund	A	1,044,940.80	812,990.80
Due from Camden County Improvement Authority		4,035.37	4,035.37
Amount to be Provided by Lease		508,000.00	539,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	2,610,000.00	2,715,000.00
Unfunded	C-5	<u>2,452,235.00</u>	<u>2,564,235.00</u>
Total		<u>\$ 6,695,325.10</u>	<u>\$ 6,792,800.73</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 2,610,000.00	\$ 2,715,000.00
Bond Anticipation Notes Payable	C-9	2,452,235.00	2,374,235.00
Obligations Under Capital Lease	C-10	508,000.00	539,000.00
Improvement Authorizations:			
Funded	C-7		5,250.00
Unfunded	C-7	53,946.35	313,322.67
Capital Improvement Fund	C-6	20,122.10	10,122.10
Reserve for Bond Anticipation Notes		1,050,971.85	835,821.16
Fund Balance	C-1	<u>49.80</u>	<u>49.80</u>
Total		<u>\$ 6,695,325.10</u>	<u>\$ 6,792,800.73</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, 2013

Balance December 31, 2012 and 2013

\$ 49.80

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, 2013

	Balance December 31, 2012	Additions	Retirements	Balance December 31, 2013
General Fixed Assets:				
Land and Land Improvements	\$ 712,900.00			\$ 712,900.00
Building and Building Improvements	3,890,200.00			3,890,200.00
Machinery and Equipment	2,637,590.30	\$ 63,324.85		2,700,915.15
Total	\$ 7,240,690.30	\$ 63,324.85	-	\$ 7,304,015.15
 Investment in General Fixed Assets	 \$ 7,240,690.30	 \$ 63,324.85	 -	 \$ 7,304,015.15

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

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

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 2010 census is 4,676.

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.

Criteria for determining if other entities are potential component units which should be reported within the Borough's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the Borough is financially accountable and other organizations that the nature and significance of their relationship with the Borough are such that exclusion would cause the Borough's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the "Requirements" are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough accounts for its financial transactions through the use of separate funds 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 must adopt an annual budget for its Current Fund in accordance with N.J.S.A. 40A:4et 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 Borough. 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, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund 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 adopted a capitalization threshold of \$5,000 the maximum amount allowed by the Circular.

Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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 recorded 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 seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the Borough 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 represent amounts available for anticipation as revenue in future years' 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 are recorded with offsetting reserves on the statement of assets, liabilities reserves and fund balance of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the 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 Borough 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 to December 31.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. 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 bonds and notes are provided on the cash basis and interest on general capital indebtedness is on the cash basis.

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

Interest on Delinquent Taxes - It is the policy of the Borough to collect interest for the nonpayment of taxes 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 have been presented in the accompanying statements of assets, liabilities, reserves and fund balance 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.

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk refers to the risk that, in the event of a bank failure, the Municipality's deposits may not be recovered. Although the Municipality does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Municipality relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Municipality's amount on deposit of \$2,628,024 as of December 31, 2013, \$250,000 was insured under FDIC and the remaining balance of \$2,378,024 was collateralized under GUDPA.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Tax Rate	\$ <u>6.596</u>	\$ <u>6.512</u>	\$ <u>6.227</u>	\$ <u>6.055</u>	\$ <u>5.837</u>
Apportionment of Tax Rate:					
Municipal	1.938	1.893	1.731	1.732	1.654
County	1.437	1.426	1.309	1.195	1.152
Local School District	3.221	3.193	3.187	3.128	3.031

<u>Assessed Valuation</u>	<u>Amount</u>
2013	\$ 175,671,461
2012	176,793,595
2011	176,285,815
2010	175,865,357
2009	175,011,202

<u>Comparison of Tax Levies and Collections</u>			
<u>Year Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$ 11,593,028	\$ 11,335,900	97.78 %
2012	11,003,661	10,798,423	98.13
2011	10,692,032	10,476,932	97.98
2010	10,249,505	10,002,841	97.59
2009	9,832,727	9,587,929	97.51

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>
2013	\$ 73,244	\$ 216,545	\$ 289,789	2.42 %
2012	67,826	210,517	278,343	2.42
2011	75,593	189,431	265,024	2.41
2010	66,225	193,369	259,594	2.43
2009	63,379	236,202	299,581	2.92

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>
2013	19
2012	18
2011	23
2010	14
2009	14

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

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>
2013	\$ 9,400
2012	9,400
2011	9,400
2010	9,400
2009	9,400

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>Sewer Utility Levy</u>			
<u>Year Ended</u>	<u>Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$ 232,469	\$ 212,022	91.20%
2012	231,224	211,944	91.16
2011	231,544	215,598	93.11
2010	114,344	106,747	93.36
2009	112,630	106,795	94.82

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>
2013	\$ 362,364	\$ 235,000	64.85%
2012	312,174	237,500	76.08
2011	259,955	220,000	84.63
2010	408,616	390,000	95.44
2009	610,619	550,000	90.07

NOTE 7. PENSION PLANS

Substantially all of the Borough's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Police and Firemen's Retirement System (PFRS), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

NOTE 7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92 P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Police and Firemen's Retirement System (PFRS)

The Police and Firemen's Retirement System was established in 1944. The PFRS 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 PFRS are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 10.0% in October, 2011. 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 are detailed below.

	<u>2013</u>		<u>2012</u>		<u>2011</u>	
	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>
Normal Contribution	\$ 21,543	\$ 101,787	\$ 21,543	\$ 101,787	\$ 30,265	\$ 107,696
Accrued Liability	43,086	114,553	43,086	114,553	48,226	86,355
Total Regular Contributions	<u>64,629</u>	<u>216,340</u>	<u>64,629</u>	<u>216,340</u>	<u>78,491</u>	<u>194,051</u>
Non-Contributory Group						
Life Insurance	4,118	7,924	4,118	7,924	5,961	8,441
Total Due	<u>\$ 68,747</u>	<u>\$ 224,264</u>	<u>\$ 68,747</u>	<u>\$ 224,264</u>	<u>\$ 84,452</u>	<u>\$ 202,492</u>

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program 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), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Divisions of Pensions and Benefits. 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.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

NOTE 7. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP) (Continued)

The contribution requirements of plan members are determined by State statute. 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. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the Borough's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Borough employees enrolled in the DCRP for the years ended December 31, 2013, 2012 and 2011.

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.

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.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

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

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, 2011:

<u>Annual OPEB Cost</u>	<u>Year Ending December 31, 2011</u>
Normal Cost	\$ 466,100
Amortization of Unfunded Actuarial Accrued Liability	1,173,097
Annual Required Contribution (ARC)	<u>1,639,197</u>
Interest on OPEB Obligation	-
Adjustment to ARC	-
OPEB Expense	<u>1,639,197</u>
Net OPEB contributions made during the fiscal year	<u>317,443</u>
 Net OPEB obligation at end of year	 <u>\$ 1,321,754</u>
 Percentage of expense contributed	 19.36%

Funded Status and Funding Progress

As of December 31, 2011 the actuarial accrued liability for benefits was \$19,108,437, 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, 2013, accrued benefits for compensated absences are valued at \$450,855.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

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.

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>
2013	\$ 2,444	\$ 3	\$ 2,000	\$ 5,746	\$ 3,218
2012	2,651	10	7,302	8,773	4,517
2011	2,574	45	3,000	9,350	3,327
2010	3,127	67	6,425	4,812	7,058
2009	3,822	23	12,501	15,731	2,251

NOTE 11. CAPITAL DEBT

Summary of Municipal Debt

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Issued:			
General Bonds and Notes	\$ 5,062,235	\$ 5,089,235	\$ 5,071,185
Net Debt Issued	<u>5,062,235</u>	<u>5,089,185</u>	<u>5,071,185</u>
Authorized But Not Issued:			
General - Bonds and Notes		190,000	204,250
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 5,062,235</u>	<u>\$ 5,279,235</u>	<u>\$ 5,275,435</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, 2013 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>\$ 2,610,000</u>

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

NOTE 11. CAPITAL DEBT (Continued)

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, 2013, the Borough had outstanding bond anticipation notes as follows:

<u>Fund</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
General Capital	\$ 1,414,290	.99%	July 10, 2014
General Capital	1,037,945	.95%	July 10, 2014

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 1.657%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 6,455,000	\$ 6,455,000	
General Debt	<u>5,062,235</u>		\$ <u>5,062,235</u>
Total	<u>\$ 11,517,235</u>	<u>\$ 6,455,000</u>	<u>\$ 5,062,235</u>

Net Debt, \$5,062,235 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$305,540,932 equals 1.657%.

Equalized Valuation Basis:

2011	\$ 324,861,414
2012	305,845,314
2013	<u>285,916,069</u>
Average	<u>\$ 305,540,932</u>

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

3-1/2% of Equalized Valuation Basis (Municipal)	\$ 10,693,933
Net Debt	<u>5,062,235</u>
Remaining Borrowing Power	<u>\$ 5,631,698</u>

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

NOTE 11. CAPITAL DEBT (Continued)

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

Serial Bonds Payable

<u>Calendar Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 110,000	\$ 134,138	\$ 244,138
2015	120,000	128,100	248,100
2016	125,000	121,669	246,669
2017	130,000	114,975	244,975
2018	140,000	107,887	247,887
2019-2023	750,000	479,149	1,229,149
2024-2028	995,000	228,750	1,223,750
2029	240,000	7,200	247,200
Total	<u>\$ 2,610,000</u>	<u>\$ 1,321,868</u>	<u>\$ 3,931,868</u>

NOTE 12. LEASE OBLIGATIONS

The Borough has a lease agreement in effect at December 31, 2013 for various capital improvements and one police vehicle.

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

<u>Calendar Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 45,436	\$ 24,013	\$ 69,449
2015	34,000	21,556	55,556
2016	36,000	19,856	55,856
2017	38,000	18,415	56,415
2018	39,000	16,896	55,896
2019-23	223,000	53,944	276,944
2024-25	105,000	7,322	112,322
Total	<u>\$ 520,436</u>	<u>\$ 160,002</u>	<u>\$ 682,438</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, 2013.

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 74,658	\$ 88,861
Federal and State Grant Fund	15,185	1,095,593
Animal Control Fund		617
Other Trust Funds	57,191	23,389
General Capital Fund	1,061,426	
	<u>\$ 1,208,460</u>	<u>\$ 1,208,460</u>

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2013**

NOTE 14. CONTINGENCIES

The Borough participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2013

	<u>CURRENT FUND</u>		<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2012	\$ 1,105,262.46		\$ 752,660.79
Receipts:			
Taxes Receivable	\$ 11,414,637.38		
Tax Title Liens	-		
Prepaid Taxes	45,309.08		
Tax Overpayments	2,670.18		
Revenue Accounts Receivable	782,207.11		
Sewer Rent Charges	230,886.52		
Sewer Rent Overpayments	688.93		
Due State of New Jersey:			
Marriage License Fees	650.00		
UCC Fees	1,991.00		
Due from State of New Jersey for Senior Citizens and Veterans Deductions	68,573.29		
Miscellaneous Revenues Not Anticipated	112,810.23		
Due to Other Trust Fund	66,124.27		
Due to Little League	2,250.00		
Due to General Capital Fund	190,000.00		
Budget Refunds	62,638.05		
Contra	67,665.79		
Federal and State Grants Receivable		<u>\$ 551,297.85</u>	
Total Receipts	<u>13,049,101.83</u>		<u>551,297.85</u>
Sub-Total	14,154,364.29		1,303,958.64
Disbursements:			
2013 Appropriations	4,374,476.84		
2012 Appropriation Reserves	113,424.55		
Encumbrances Payable		10,208.70	
County Taxes	2,523,994.28		
Local School Taxes Payable	6,087,208.83		
Due State of New Jersey:			
Marriage License Fees	625.00		
UCC Fees	1,970.00		
Tax Overpayments Refunded			
Due to General Capital Fund	190,000.00		
Due from Animal Control Fund	1,000.00		
Due from Other Trust Fund	66,124.27		
Budget Refunds	62,638.05		
Contra	67,665.79		
Federal and State Appropriated Reserves		<u>60,280.21</u>	
Total Disbursements	<u>13,489,127.61</u>		<u>70,488.91</u>
Balance December 31, 2013	<u>\$ 665,236.68</u>		<u>\$ 1,233,469.73</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Change Fund
 For the Year Ended December 31, 2013

Balance December 31, 2012 and 2013	<u>\$ 150.00</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, 2013

Balance December 31, 2012	<u>\$ 2,277.28</u>
Increased by:	
Senior Citizen Deductions per Duplicate	\$ 16,750.00
Veterans Deductions per Duplicate	53,500.00
Senior Citizen and Veterans Deductions Allowed by Collector	<u>1,500.00</u>
Subtotal	<u>71,750.00</u>
Less - Disallowed Senior Citizens and veterans Deductions	<u>2,676.71</u>
Subtotal	<u>69,073.29</u>
Subtotal	71,350.57
Increased by:	
Collected	<u>68,573.29</u>
Balance December 31, 2013	<u>\$ 2,777.28</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2013

Year	Balance	2013 Levy	Added Taxes	COLLECTIONS BY CASH		State Share of 2013 Senior Citizens and Veterans Deductions Allowed	Overpayments Applied	Transferred to Tax Title Lien	Canceled	Balance Dec. 31, 2013
	Dec. 31, 2012			2012	2013					
2011	\$ 1,093.22				\$ 1,093.22					
2012	<u>209,423.67</u>		\$ 500.00		<u>209,532.85</u>			\$ 390.82		
Subtotal	210,516.89		500.00		210,626.07			390.82		
2013		<u>\$ 11,593,028.05</u>		<u>\$ 31,099.06</u>	<u>11,204,011.31</u>	<u>\$ 69,573.29</u>	<u>\$ 31,216.00</u>	<u>4,979.99</u>	<u>\$ 35,603.21</u>	<u>\$ 216,545.19</u>
Total	<u>\$ 210,516.89</u>	<u>\$ 11,593,028.05</u>	<u>\$ 500.00</u>	<u>\$ 31,099.06</u>	<u>\$ 11,414,637.38</u>	<u>\$ 69,573.29</u>	<u>\$ 31,216.00</u>	<u>\$ 5,370.81</u>	<u>\$ 35,603.21</u>	<u>\$ 216,545.19</u>

Analysis of Property Tax Levy

Tax Yield:		
General Purpose Tax		\$ 11,517,039.52
Added Taxes		5,738.53
Senior Citizens and Veterans Deductions Allowed Per Original Levy		<u>70,250.00</u>
Total		<u>\$ 11,593,028.05</u>
Tax Levy:		
Local School Tax (Abstract)		\$ 5,659,595.00
County Tax (Abstract)	\$ 2,316,164.23	
County Library Tax (Abstract)	145,306.44	
County Open Space Tax (Abstract)	61,007.75	
County Added Taxes	<u>1,250.22</u>	2,523,728.64
Local Tax for Municipal Purposes	3,404,625.36	
Additional Tax Levies	<u>5,079.05</u>	
Total		<u>3,409,704.41</u>
		<u>\$ 11,593,028.05</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Tax Title Liens Receivable
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 67,825.65
Increased by:		
Interest and Costs Accrued By Tax Sale	\$ 47.75	
Transfers from Taxes Receivable	<u>5,370.81</u>	<u>5,418.56</u>
		73,244.21
Decreased by:		
Collected		<u> </u>
Balance December 31, 2013		<u><u>\$ 73,244.21</u></u>

Schedule of Property Acquired for Taxes
For the Year Ended December 31, 2013

Balance December 31, 2012 and 2013		<u><u>\$ 9,400.00</u></u>
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BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Sewer Service Charges Receivable
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 19,280.34
Increased by:		
2013 Billings		<u>232,469.47</u>
		251,749.81
Decreased by:		
2013 Collections	\$ 230,886.52	
Overpayments Applied	416.07	
Canceled		<u>231,302.59</u>
Balance December 31, 2013		<u><u>\$ 20,447.22</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Revenue Accounts Receivable
 For the Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued in</u> <u>2013</u>	<u>Collected</u> <u>By</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Alcoholic Beverage Licenses		\$ 3,930.00	\$ 3,930.00	
Other Licenses		8,785.00	8,785.00	
Fees and Permits		14,916.00	14,916.00	
Municipal Court - Fines and Costs	\$ 9,969.80	136,270.20	134,241.84	\$ 11,998.16
Interest and Costs on Taxes		52,811.16	52,811.16	
Cable TV Franchise Fees		60,489.96	60,489.96	
Consolidated Municipal Property Tax Relief		29,521.00	29,521.00	
Energy Receipts Tax		384,182.52	384,182.52	
Uniform Construction Code		33,058.00	33,058.00	
Billboard Lease		60,271.63	60,271.63	
Total	<u>\$ 9,969.80</u>	<u>\$ 784,235.47</u>	<u>\$ 782,207.11</u>	<u>\$ 11,998.16</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of 2012 Appropriation Reserves
For the Year Ended December 31, 2013

	Balance Dec. 31, 2012	Encumbrances Dec. 31, 2012	Balance after Transfers	Disbursed	Balance Lapsed
Salary and Wages - Within Caps					
Municipal Court	\$ 22,118.89		\$ 22,118.89	\$ 20,934.91	\$ 1,183.98
Subtotal	<u>22,118.89</u>		<u>22,118.89</u>	<u>20,934.91</u>	<u>1,183.98</u>
Other Expenses - Within Caps					
Administrative and Executive	1,579.05		1,579.05	290.00	1,289.05
Municipal Clerk's Office	835.05		835.05	8.40	826.65
Financial Administration	689.20		689.20	300.61	388.59
Collection of Taxes	1,566.05		1,566.05	1,129.02	437.03
Liquidation of Tax Title Liens	403.80		403.80		403.80
Tax Assessment Administration	815.94		815.94	581.34	234.60
Legal Services and Costs	5,187.89		11,203.84	6,015.95	5,187.89
Engineering Services and Costs	545.18		2,145.18	2,132.50	12.68
Planning Board	3,581.45		3,581.45	3,560.94	20.51
Insurance					
Group Insurance	3.55		3.55		3.55
Liability Insurance	481.62		481.62		481.62
Health Benefit Waiver	21.88		21.88		21.88
Police	7,407.75	\$ 195.45	7,603.20	5,170.39	2,432.81
Office of Emergency Management	3,816.24	296.58	4,112.82	2,248.00	1,864.82
Aid to Volunteer Fire Companies	10,205.68		10,205.68	8,763.40	1,442.28
Aid to Volunteer Ambulance	777.34		1,084.34	1,083.94	0.40
Fire Hydrant Service	4,079.05		4,536.05	4,535.73	0.32
Road Repairs & Maintenance	1,548.81		1,548.81	1,521.70	27.11
Garbage and Trash Removal	1,203.01		1,203.01		1,203.01
Solid Waste Disposal	16,243.05		15,543.32	7,816.83	7,726.49
Public Buildings and Grounds	8,050.57		8,050.57	5,042.17	3,008.40
Sewer System	10,054.19		10,054.19	8,768.99	1,285.20
Borough Vehicle Maintenance	3,464.68		10,093.46	6,628.78	3,464.68
Registrar of Vital Statistics	650.00		650.00	125.00	525.00
Environmental Commission	100.00		100.00		100.00
Celebration of Public Event, Anniversary, or Holiday	621.00		621.00		621.00
Utilities:					
Electricity	4,833.63		4,833.63	4,039.57	794.06
Street Lights	9,016.43		5,016.43	4,741.76	274.67
Telephone	1,723.15		1,723.15	1,611.16	111.99
Heating Fuel	2,560.66		60.66		60.66
Gasoline	12,451.14		8,751.14	8,701.28	49.86
Sewer	299.00		578.00	577.50	0.50
Municipal Court	6,701.84		6,913.84	6,913.57	0.27
State Uniform Construction Code	226.69		226.69		226.69
Inspection of Rentals and Certification	150.00		150.00		150.00
Stormwater Regulation	1.02		1.02		1.02
Statutory Expenditures					
Defined Contribution Retirement System	500.00		500.00		500.00
Social Security System	4,665.13		65.13		65.13
Unemployment Compensation Insurance	814.09		814.09		814.09
Subtotal	<u>127,874.81</u>	<u>492.03</u>	<u>128,366.84</u>	<u>92,308.53</u>	<u>36,058.31</u>
Other Expenses - Excluded from Caps					
Aid to Privately Owned Library	50.00		50.00		50.00
Recycling Tax	4,180.42		4,180.42	181.11	3,999.31
Subtotal	<u>4,230.42</u>		<u>4,230.42</u>	<u>181.11</u>	<u>4,049.31</u>
Interlocal Municipal Service Agreements					
Borough of Barrington					
Other Expenses-Shared Truck Wash	4,000.00		4,000.00		4,000.00
Other Expenses-Municipal Clerk	10.00		10.00		10.00
Subtotal	<u>4,010.00</u>		<u>4,010.00</u>		<u>4,010.00</u>
Salary and Wage Accounts	<u>6,624.64</u>		<u>6,624.64</u>		<u>6,624.64</u>
Grand Total	<u>\$ 164,858.76</u>	<u>\$ 492.03</u>	<u>\$ 165,350.79</u>	<u>\$ 113,424.55</u>	<u>\$ 51,926.24</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 31,216.01
Increased by:		
Collected		<u>2,670.18</u>
Subtotal		33,886.19
Decreased by:		
Refunds		
Applied to 2013 Taxes	\$ 31,216.00	
Canceled		<u>31,216.00</u>
Balance December 31, 2013		<u><u>\$ 2,670.19</u></u>

EXHIBIT A-14

Schedule of Prepaid Taxes
 For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 31,099.06
Increased by:		
Collected		<u>45,309.08</u>
Subtotal		76,408.14
Decreased by:		
Applied to 2013 Taxes		<u>31,099.06</u>
Balance December 31, 2013		<u><u>\$ 45,309.08</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Local School Taxes Payable
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$	427,613.83
Increased by:		
Levy: Calendar Year 2013		5,659,595.00
Subtotal		6,087,208.83
Decreased by:		
Disbursed to Local School District		6,087,208.83
Balance December 31, 2013	\$	-

Exhibit A-16

Schedule of County Taxes Payable
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$	1,515.86
Increased by:		
2013 Levy:		
General County	\$	2,316,164.23
County Library		145,306.44
County Open Space		61,007.75
Added and Omitted Taxes		1,250.22
Subtotal		2,523,728.64
		2,525,244.50
Decreased by:		
Disbursed to County of Camden		2,523,994.28
Balance December 31, 2013	\$	1,250.22

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Sewer Rent Overpayments
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$	416.07
Increased by:		
Collected		<u>688.93</u>
Subtotal		1,105.00
Decreased by:		
Applied to Sewer Rents Receivable		<u>416.07</u>
Balance December 31, 2013	\$	<u><u>688.93</u></u>

EXHIBIT A-18

Schedule of Due to State of New Jersey
 for Marriage License Fees
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$	75.00
Increased by:		
State Portion of 2013 Marriage Licenses Fees		<u>650.00</u>
Subtotal		725.00
Decreased by:		
Disbursed to State of New Jersey		<u>625.00</u>
Balance December 31, 2013	\$	<u><u>100.00</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Due to State of NJ - UCC Fees
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$	301.00
Increased by:		
Cash Received		1,991.00
		2,292.00
Decreased by:		
Cash Disbursed		1,970.00
		1,970.00
Balance December 31, 2013	\$	322.00

EXHIBIT A-20

Schedule of Reserve For Codification of Ordinances
 For the Year Ended December 31, 2013

Balance December 31, 2012 and 2013	\$	17,071.50
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BOROUGH OF MOUNT EPHRAIM
Federal and State Grant Fund
 Schedule of Federal and State Grants Receivable
 For the Year Ended December 31, 2013

	Balance Dec. 31, 2012	Accrued	Received	Transfer To Unappropriated Reserves	Canceled	Balance Dec. 31, 2013
State Grants:						
Clean Communities Program	\$ -	\$ 8,522.90	\$ 8,522.90	\$ -	\$ -	\$ -
Body Armor Replacement Grant		2,755.98	2,755.98			
NJ TTFA Grant - Delaware Avenue	67,361.45		67,361.45			
NJ TTFA Grant - Hartka Avenue	76,234.02		76,234.02			
NJ TTFA Grant - Bell Road	231,950.00		231,950.00			
NJ TTFA Grant - Roosevelt			135,534.00	135,534.00		
Alcohol Educ. & Rehab.		1,002.72	1,002.72			
Recycling Tonnage Grant		3,554.47	3,554.47			
Drunk Driving Enforcement Fund			2,657.31	2,657.31		
County Grants:						
Open Space Preservation Trust Fund	25,002.13					25,002.13
County Recreation Facility Enhancement		50,000.00				50,000.00
Federal Grants:						
Community Development Block Grant	21,725.00		21,725.00			
Total	\$ 422,272.60	\$ 65,836.07	\$ 551,297.85	\$ 138,191.31	\$ -	\$ 75,002.13

BOROUGH OF MOUNT EPHRAIM
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Unappropriated
 For the Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Federal and</u> <u>State Grant</u> <u>Receivable</u>	<u>Realized</u> <u>as Revenue</u> <u>In 2013</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
State Grants:				
NJ Department of Transportation - Roosevelt Avenue		\$ 135,534.00		\$ 135,534.00
Drunk Driving Enforcement Fund		2,657.31		2,657.31
Total	\$ -	\$ 138,191.31	\$ -	\$ 138,191.31

BOROUGH OF MOUNT EPHRAIM
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Appropriated
 For the Year Ended December 31, 2013

	<u>Balance Dec. 31, 2012</u>	<u>Transferred From 2013 Budget</u>	<u>Paid</u>	<u>Due to General Capital</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2013</u>
State Grants:						
Drunk Driving Enforcement Fund	\$ 12,741.04		\$ 3,429.44			\$ 9,311.60
Recycling Tonnage Grant		\$ 3,554.47	3,252.76			301.71
Alcohol Education & Rehab. Program	11,059.85	1,002.72	2,709.55			9,353.02
Body Armor Grant	1,441.47	2,755.98	2,327.47			1,869.98
Clean Communities	8,260.38	8,522.90	13,076.92			3,706.36
NJ Transportation Trust - Delaware Avenue	10,657.25					10,657.25
NJ Transportation Trust - Bell Road	231,950.00			\$ 231,950.00		
Statewide Domestic Preparedness Grant	67.81					67.81
County Grants:						
Open Space Preservation Trust Fund	25,274.13		22,775.21			2,498.92
County Recreation Facility Enhancement		50,000.00				50,000.00
Federal Grants:						
Community Development Block Grant	14,815.00		14,815.00			
Total	<u><u>\$ 316,266.93</u></u>	<u><u>\$ 65,836.07</u></u>	<u><u>\$ 62,386.35</u></u>	<u><u>\$ 231,950.00</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 87,766.65</u></u>
			Cash Disbursed \$ 60,280.21			
			Encumbrances Payable 2,106.14			
		Total	<u><u>\$ 62,386.35</u></u>			

TRUST FUND

BOROUGH OF MOUNT EPHRAIM
Trust Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2013

	Animal Control	Total Other Trust Funds	Unemployment Trust	Payroll	Off-Duty Police	Public Defender	POAA	Developer's Escrow	Tax Title Lien Redemption	Police Donations	Forfeited Funds
Balance December 31, 2012	\$ (382.92)	\$ 125,562.07	\$ 4,045.99	\$ 11,992.44	\$ 2,582.46	\$ 14,646.12	\$ 55.05	\$ 19,513.20	\$ 61,157.42	\$ 70.25	\$ 11,499.14
Receipts:											
Dog License Fees:											
Municipal Licenses	8,474.40										
State Registration Fees	729.60										
Due from Oaklyn Court											
Due to Current Fund	1,000.00	3,261.47	2,000.00	1,261.47							
Payroll Withholdings		2,444.26	2,444.26								
Net Payroll		1,256,283.26		1,256,283.26							
Payroll Deductions Payable		717,535.45		717,535.45							
Off-Duty Police Fees		81,887.38			81,887.38						
Public Defender Fees		1,511.00				1,511.00					
Police Donations		50.00								50.00	
POAA Fees		12.00					12.00				
Affordable Housing (COAH)		0.00									
Tax Title Lien Redemptions		258,840.34							258,840.34		
Developer's Escrow		75,472.18						75,472.18			
Forfeited Funds		324.00									324.00
Interest Earned	6.73	556.54	2.81		98.28	61.64	0.22	102.15	251.03	0.29	40.12
Total Receipts	10,210.73	2,398,177.88	4,447.07	1,975,080.18	81,985.66	1,572.64	12.22	75,574.33	259,091.37	50.29	364.12
Disbursements:											
Expenditures Under RS4:19-15.11	9,981.24										
State Registration Fees	728.40										
Unemployment		5,746.06	5,746.06								
Net Payroll		1,256,283.26		1,256,283.26							
Payroll Deductions Payable		717,535.45		717,535.45							
Off-Duty Police		79,367.42			79,367.42						
Public Defender		0.00									
Developer's Escrow		56,796.55						56,796.55			
Tax Title Lien Redemptions		245,604.05							245,604.05		
Forfeited Funds (Law Enforcement)		5,450.00									5,450.00
Due to Current Fund	6.73	613.04		201.87	98.28	61.64	0.22		251.03		
Total Disbursements	10,716.37	2,367,395.83	5,746.06	1,974,020.58	79,465.70	61.64	0.22	56,796.55	245,855.08	0.00	5,450.00
Balance December 31, 2013	\$ (888.56)	\$ 156,344.12	\$ 2,747.00	\$ 13,052.04	\$ 5,102.42	\$ 16,157.12	\$ 67.05	\$ 38,290.98	\$ 74,393.71	\$ 120.54	\$ 6,413.26

BOROUGH OF MOUNT EPHRAIM
Trust Fund
 Schedule of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2013

Balance (Deficit) December 31, 2012		\$ (3,838.84)
Increased by:		
2013 Dog License Fees Collected	\$ 6,251.40	
Late Fees	2,223.00	
Current Fund - Budget Appropriation	3,838.84	12,313.24
Total		8,474.40
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash disbursed		9,981.24
Balance (Deficit) December 31, 2013		\$ (1,506.84)

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2011	\$ 4,119.60
2012	4,162.40
	\$ 8,282.00

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for Unemployment Compensation
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 4,517.32
Increased by:		
Employee Withholdings	\$ 2,444.26	
Current Fund - Budget Appropriation	2,000.00	
Interest Earned	2.81	4,447.07
Subtotal		8,964.39
Decreased by:		
Claims Paid		5,746.06
Balance December 31, 2013		\$ 3,218.33

Schedule of Reserve for Escrow Trust Fund
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 76,458.70
Increased by:		
Escrow Deposits	\$ 75,472.18	
Interest Earned on Investments	102.15	75,574.33
Decreased by:		
Disbursements		56,796.55
Balance December 31, 2013		\$ 95,236.48

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds

Statement of Reserve for Law Enforcement - Forfeited Funds
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 11,499.14
Increased by:		
Cash Receipts	\$ 324.00	
Interest Earned on Investments	<u>40.12</u>	<u>364.12</u>
		11,863.26
Decreased by:		
Cash Disbursed		<u>5,450.00</u>
Balance December 31, 2013		<u><u>\$ 6,413.26</u></u>

Schedule of Deposits for Redemption of Tax Sale Certificates
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 61,157.42
Increased by:		
Deposits Received		<u>258,840.34</u>
		319,997.76
Decreased by:		
Refunds - Tax Sale Certificates Redeemed		<u>245,604.05</u>
Balance December 31, 2013		<u><u>\$ 74,393.71</u></u>

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for Off Duty Police
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 5,195.19
Increased by:	
Cash Receipts	<u>81,647.36</u>
Subtotal	86,842.55
Decreased by:	
Cash Disbursements	<u>79,367.42</u>
Balance December 31, 2013	<u>\$ 7,475.13</u>

Statement of Reserve for Public Defender Fees
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 4,082.82
Increased by:	
Cash Receipts	<u>1,511.00</u>
Subtotal	5,593.82
Decreased by:	
Cash Disbursements	<u> </u>
Balance December 31, 2013	<u>\$ 5,593.82</u>

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for POAA Fees
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 55.05
Increased by:		
Cash Receipts		12.00
Subtotal		67.05
Decreased by:		
Disbursements		
Balance December 31, 2013		\$ 67.05

EXHIBIT B-10

Statement of Reserve for Police Donations
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 70.25
Increased by:		
Donation	\$ 50.00	
Interest earned	0.29	50.29
Subtotal		120.54
Decreased by:		
Disbursements		
Balance December 31, 2013		\$ 120.54

GENERAL CAPITAL FUND

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 109,058.56
Receipts:		
Bond Anticipation Notes	\$ 190,000.00	
Due from Current Fund	10,000.00	
Due to Current Fund - Interest Earnings	<u>311.67</u>	
Total Receipts		<u>200,311.67</u>
Subtotal		309,370.23
Disbursements:		
Improvement Authorizations	249,429.67	
Due to Current Fund - Interest Earnings	<u>311.67</u>	<u>249,741.34</u>
Balance December 31, 2013		<u>\$ 59,628.89</u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2013

Fund Balance		\$ 49.80
Capital Improvement Fund		20,122.10
Due From Current Fund		(16,485.04)
Due from Federal and State Grant Fund		(1,044,940.80)
Due from Camden County Improvement Authority		(4,035.37)
Reserve for Bond Anticipation Notes		1,050,971.85
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
02-2010	Completion of Various Roads	5,725.44
14-2010	Acquisition of Trash Truck	17,498.65
02-2012	Various Improvements:	<u>30,722.26</u>
	Total	<u>\$ 59,628.89</u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 2,715,000.00
Decreased By:	
Serial Bonds Paid	<u>105,000.00</u>
Balance December 31, 2013	<u>\$ 2,610,000.00</u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Funded By Budget Appropriation	Transferred to Deferred Taxation Funded	Balance Dec. 31, 2013	ANALYSIS OF BALANCE		
							Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
772-06	Acquisition of Loader/Backhoe, Street Sweeper and Sports Utility Vehicle	\$ 150,400.00		\$ 10,400.00		\$ 140,000.00	\$ 140,000.00		
15-07	Various Improvements	234,600.00		8,700.00		225,900.00	225,900.00		
11-08	Various Road and Related Improvements	156,760.00		12,000.00		144,760.00	144,760.00		
12-08	Sewer Utility Equipment and Improvements	50,605.00		1,000.00		49,605.00	49,605.00		
13-08	Acquisition of Vehicles and Equipment	83,435.00		14,000.00		69,435.00	69,435.00		
08-09	Various Roads and Related Improvements	73,280.00		4,500.00		68,780.00	68,780.00		
09-09	Various Improvements to Buildings and Grounds	46,465.00		2,000.00		44,465.00	44,465.00		
10-09	Sewer Utility Improvements	66,450.00		900.00		65,550.00	65,550.00		
11-09	Various Pieces of Capital Equipment	262,450.00		33,000.00		229,450.00	229,450.00		
2-2010	Various Roads and Improvements	118,750.00				118,750.00	118,750.00		
7-2010	Drainage and Related Street Improvements	755,000.00		10,000.00		745,000.00	745,000.00		
8-2010	Kings Highway Streetscape	290,540.00		15,500.00		275,040.00	275,040.00		
14-2010	Acquisition of Trash Truck	85,500.00				85,500.00	85,500.00		
02-2012	Various Capital Improvements								
	Drainage Improvements Bell Road	52,250.00				52,250.00	52,250.00		
	Various Capital Improvements	33,250.00				33,250.00	33,250.00		
	Public Safety Vehicles and Equipment	66,500.00				66,500.00	66,500.00		
	Public Works Vehicle and Equipment	38,000.00				38,000.00	38,000.00		
	Total	\$ 2,564,235.00	\$ -	\$ 112,000.00	\$ -	\$ 2,452,235.00	\$ 2,452,235.00	\$ -	\$ -
				Improvement Authorizations Unfunded					\$ 53,946.35
				Less Unexpended Proceeds of Bond Anticipation Notes Issued:					
				Ord. 02-2010			\$ 5,725.44		
				Ord. 07-2010			17,498.65		
				Ord. 02-2012			30,722.26		53,946.35
									<u>\$ -</u>

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BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 10,122.10
Increased by:	
2013 Budget Appropriation	<u>10,000.00</u>
Subtotal	20,122.10
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u> </u>
Balance December 31, 2013	<u><u>\$ 20,122.10</u></u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date	Ordinance		Balance December 31, 2012		Reallocation of Unfunded Appropriations Per Resolution	2013 AUTHORIZATIONS			Balance December 31, 2013		
			Amount	Funded	Unfunded	Capital Improvement Fund		Deferred Charges To Future Taxation - Unfunded	Paid or Charged	Canceled	Funded	Unfunded	
11-2008	Various Improvements	09/04/08	215,000.00		\$ 15,150.00		\$ 19,089.17			\$ 34,239.17			
09-2009	Various Improvements to Buildings and Grounds	06/04/09	50,700.00		362.83					362.83			
11-2009	Purchase of Vehicles and Equipment	06/04/09	311,000.00		22,374.04					22,374.04			
02-2010	Completion of Various Roads	04/01/10	125,000.00		36,624.36		(22,164.07)			8,734.85			\$ 5,725.44
07-2010	Drainage and Street Improvements - Bell Road	06/03/10	755,000.00		115,737.61					98,238.96			17,498.65
14-2010	Acquisition of Trash Truck	12/02/10	90,000.00		15,196.65						\$ 15,196.65		
02-2012	Various Improvements:												
	Drainage Improvements Bell Road	07/05/12	55,000.00		7,075.50		602.80			187.00			7,491.30
	Various capital Equipment	07/05/12	35,000.00	\$ 1,750.00	33,250.00		(2,540.74)			17,911.30			14,547.96
	Public Safety Equipment	07/05/12	70,000.00	3,500.00	66,500.00		1,669.52			67,381.52			4,288.00
	Public Works Vehicle and Equipment	07/05/12	40,000.00		1,051.68		3,343.32						4,395.00
	Total			\$ 5,250.00	\$ 313,322.67		\$ -	\$ -	\$ -	\$ 249,429.67	\$ 15,196.65	\$ -	\$ 53,946.35
	Cash Disbursed									\$ 249,429.67			
	Due from Current Fund												
	Total									\$ 249,429.67			

Borough of Mount Ephraim
 General Capital Fund
 Statement of General Serial Bonds
 For the Year Ended December 31, 2013

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
			Date	Amount	Outstanding December 31, 2013					
Borough Guaranteed Bonds - 2009	05/01/94	\$3,000,000.00	05/01/14	\$ 110,000.00		5.25%	\$ 2,715,000.00	-	\$ 105,000.00	\$ 2,610,000.00
			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						
			05/01/27	210,000.00						
			05/01/28	225,000.00						
			05/01/29	240,000.00						

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
2006-772	Purchase of Equipment	1/8/2007	10/18/2012	10/17/2013	0.90%	\$ 150,400.00		\$ 150,400.00	
2006-772	Purchase of Equipment	1/8/2007	10/16/2013	7/10/2014	0.95%		\$ 140,000.00		\$ 140,000.00
2007-15	Various Improvements	1/8/2008	10/18/2012	10/17/2013	0.90%	234,600.00		234,600.00	
15-2007	Various Improvements	1/8/2008	10/16/2013	7/10/2014	0.95%		225,900.00		225,900.00
11-2008	Various Road and Related Improvements	10/28/2008	10/18/2012	10/17/2013	0.90%	156,760.00		156,760.00	
11-2008	Various Road and Related Improvements	10/28/2008	10/16/2013	7/10/2014	0.95%		144,760.00		144,760.00
12-2008	Sewer Utility Equipment and Improvements	10/28/2008	10/18/2012	10/17/2013	0.90%	50,605.00		50,605.00	
12-2008	Sewer Utility Equipment and Improvements	10/28/2008	10/16/2013	7/10/2014	0.95%		49,605.00		49,605.00
13-2008	Acquisition of Vehicles and Equipment	10/28/2008	10/18/2012	10/17/2013	0.90%	83,435.00		83,435.00	
13-2008	Acquisition of Vehicles and Equipment	10/28/2008	10/16/2013	7/10/2014	0.95%		69,435.00		69,435.00
08-2009	Various Road and Related Improvements	10/26/2009	10/18/2012	10/17/2013	0.90%	73,280.00		73,280.00	
08-2009	Various Road and Related Improvements	10/26/2009	10/16/2013	7/10/2014	0.95%		68,780.00		68,780.00
09-2009	Various Improvements to Buildings and Grounds	10/26/2009	10/18/2012	10/17/2013	0.90%	46,465.00		46,465.00	
09-2009	Various Improvements to Buildings and Grounds	10/26/2009	10/16/2013	7/10/2014	0.95%		44,465.00		44,465.00
10-2009	Sewer Utility Improvements	10/26/2009	10/18/2012	10/17/2013	0.90%	66,450.00		66,450.00	
10-2009	Sewer Utility Improvements	10/26/2009	10/16/2013	7/10/2014	0.95%		65,550.00		65,550.00
11-2009	Various Pieces of Capital Equipment	10/26/2009	10/18/2012	10/17/2013	0.90%	262,450.00		262,450.00	
11-2009	Various Pieces of Capital Equipment	10/26/2009	10/16/2013	7/10/2014	0.95%		229,450.00		229,450.00
7-2010	Drainage and Related Street Improvements	07/13/12	7/13/2012	7/12/2013	0.99%	755,000.00		755,000.00	
7-2010	Drainage and Related Street Improvements	07/13/12	7/11/2013	7/10/2014	0.99%		745,000.00		745,000.00
8-2010	Kings Highway Streetscape	07/13/12	7/13/2012	7/12/2013	0.99%	290,540.00		290,540.00	
8-2010	Kings Highway Streetscape	07/13/12	7/11/2013	7/10/2014	0.99%		275,040.00		275,040.00
02-2010	Repair and/or Reconstruction of Various Roads	07/13/12	7/13/2012	7/12/2013	0.99%	118,750.00		118,750.00	
02-2010	Repair and/or Reconstruction of Various Roads	07/13/12	7/11/2013	7/10/2014	0.99%		118,750.00		118,750.00
14-2010	Acquisition of a Trash Truck	07/13/12	7/13/2012	7/12/2013	0.99%	85,500.00		85,500.00	
14-2010	Acquisition of a Trash Truck	07/13/12	7/11/2013	7/10/2014	0.99%		85,500.00		85,500.00
02-2012	Various Improvements	07/11/13	7/11/2013	7/10/2014	0.99%		190,000.00		190,000.00
						<u>\$ 2,374,235.00</u>	<u>\$ 2,452,235.00</u>	<u>\$ 2,374,235.00</u>	<u>\$ 2,452,235.00</u>
								\$ 112,000.00	
							\$ 190,000.00		
							<u>2,262,235.00</u>	<u>2,262,235.00</u>	
							<u>\$ 2,452,235.00</u>	<u>\$ 2,374,235.00</u>	

Paid by Budget Appropriation \$ 112,000.00
 Issued for Cash \$ 190,000.00
 Renewals 2,262,235.00
 Total \$ 2,452,235.00 \$ 2,374,235.00

BOROUGH OF MOUNT EPHRAIM
 General Capital Fund
 Statement of Obligations Under Capital lease
 For the Year Ended December 31, 2013

<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, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2013</u>
			<u>Date</u>	<u>Amount</u>					
Various Capital Improvements	12/21/05	\$725,000.00	11/15/14	\$ 33,000.00	3.20% - 4.62%	<u>\$ 539,000.00</u>	<u>---</u>	<u>\$ 31,000.00</u>	<u>\$ 508,000.00</u>
			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, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2013</u>
02-2012	Various Capital Improvements	\$ 190,000.00	_____	\$ 190,000.00	\$ -
	Total	<u>\$ 190,000.00</u>	<u>\$ -</u>	<u>\$ 190,000.00</u>	<u>\$ -</u>

BOROUGH OF MOUNT EPHRAIM

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2013

**BOROUGH OF MOUNT EPHRAIM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weaknesses identified?

 yes X no

2) Significant deficiencies identified that are
not considered to be material weaknesses?

 yes X none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

NOT APPLICABLE

State Awards

NOT APPLICABLE

BOROUGH OF MOUNT EPHRAIM
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

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 2013-1

Condition:

There is a deficit in the Animal Control Fund of \$1,506.84 as of December 31, 2013.

Criteria:

Every fund in the municipality should be self sustaining.

Effect:

This deficit must be raised in the 2014 Budget.

Cause:

Dog license fees are not sufficient to offset expenditures.

Recommendation:

That dog license fees be reviewed and, if necessary, increase fees to eliminate future Animal Control Fund deficits.

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, 2013**

**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 #2012-1

Condition:

There was a deficit in the Animal Control Fund as of December 31, 2012.

Current Status:

The condition has not been corrected.

Finding #2012-2

Condition:

Several audit adjustments were required to be made to the budget appropriation ledger.

Current Status:

The condition has been corrected.

FEDERAL AWARDS

A Federal Single Audit was not required.

STATE AWARDS

There were no prior year findings.

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)
Tara Martin	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)
Brian Schneider	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

I express my appreciation for the assistance and courtesies extended to the audit team 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 Inverso', written in a cursive style.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

March 28, 2014