

BOROUGH OF MOUNT EPHRAIM
County of Camden

Report of Audit of Financial Statements

For the Year Ended December 31, 2008

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, 2008

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Mount Ephraim, in the County of Camden, State of New Jersey, as of December 31, 2008 and 2007, 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, 2008. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Mount Ephraim, in the County of Camden, State of New Jersey, as of December 31, 2008 and 2007, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Mount Ephraim, in the County of Camden, State of New Jersey, as of December 31, 2008 and 2007, 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, 2008 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2009 on our consideration of the Borough of Mount Ephraim, County of Camden, State of New Jersey's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 11, 2009

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: lscpas@concentric.net

-Member of-
American Institute of CPAs
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements (regulatory basis) of the Borough of Mount Ephraim, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2008, and have issued our report thereon dated March 11, 2009, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Borough's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey such that there is more than a remote likelihood that a misstatement of the Borough's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Mount Ephraim's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which is described in the accompanying *Schedule of Findings and Recommendations* as finding no. #2008-1.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 11, 2009

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2008 and 2007

| <u>ASSETS</u> | <u>REFERENCE</u> | <u>2008</u> | <u>2007</u> |
|---|------------------|-----------------------|-----------------------|
| Regular Fund: | | | |
| Cash - Treasurer | A-4 | \$974,525.14 | \$990,699.57 |
| Cash - Change Fund - Collector | A-5 | <u>150.00</u> | <u>150.00</u> |
| Total | | <u>974,675.14</u> | <u>990,849.57</u> |
| Due State of New Jersey - | | | |
| Veterans and senior Citizens Deductions | A-6 | <u>1,881.21</u> | <u>1,583.95</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-7 | 235,886.67 | 267,328.81 |
| Tax Title Liens Receivable | A-8 | 89,011.75 | 84,894.01 |
| Property Acquired for Taxes - Assessed Valuation | A-9 | 9,400.00 | 9,400.00 |
| Sewer Rents Receivable | A-10 | 5,199.52 | 4,836.09 |
| Local Grants Receivable | A-11 | 4,760.00 | 4,760.00 |
| Revenue Accounts Receivable | A-12 | 24,832.37 | |
| Due from Animal Control Fund | B | 3,134.61 | 3,134.61 |
| Due from Trust - Other Fund | B | 18,916.93 | 19,081.00 |
| Due from General Capital Fund | C | 18,955.32 | 203,096.55 |
| Due from Federal and State Grant Fund | A | <u>108,066.21</u> | |
| Total | | <u>518,163.38</u> | <u>596,531.07</u> |
| Deferred Charges: | | | |
| Special Emergency | A-13 | 20,000.00 | 25,000.00 |
| | | <u>20,000.00</u> | <u>25,000.00</u> |
| Total Regular Fund | | <u>1,514,719.73</u> | <u>1,613,964.59</u> |
| Federal and State Grant Fund: | | | |
| Cash - Treasurer | A-4 | | 125,623.00 |
| Due from General Capital Fund | C | 792.10 | |
| Federal and State Grants Receivable | A-26 | 252,867.43 | 186,794.60 |
| Total Federal and State Grant Fund | | <u>253,659.53</u> | <u>312,417.60</u> |
| Total Assets | | <u>\$1,768,379.26</u> | <u>\$1,926,382.19</u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2008 and 2007

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>REFERENCE</u> | <u>2008</u> | <u>2007</u> |
|--|------------------|----------------|----------------|
| Regular Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3, A-14 | \$32,698.88 | \$61,884.34 |
| Encumbrances Payable | A-14 | 45,679.83 | 71,435.48 |
| Tax Overpayments | A-15 | 7,846.42 | 15,126.74 |
| Prepaid Taxes | A-16 | 44,237.09 | 61,911.50 |
| Due County for Added and Omitted Taxes | A-18 | 14,660.37 | 8,106.33 |
| Sewer Rent Overpayments | | 265.16 | 322.77 |
| Payroll Taxes Payable | | 8,028.98 | |
| Due to Other Trust Fund | B | 700.94 | |
| Due State of New Jersey - DCA Fees | | 655.00 | 1,329.00 |
| Due State of New Jersey - Marriage License Fees | | 150.00 | 125.00 |
| Due State of New Jersey - Burial Permit Fees | | 180.00 | |
| Reserve for State Aid for Maintenance of Library | A-19 | 351.11 | 27.11 |
| Due to Water Utility Operating Fund | D | | 300.00 |
| Reserve for Enhancements to Norcross Avenue | A-20 | 531.98 | 4,760.00 |
| Reserve for Purchase of Recreational Equipment | A-21 | 4,000.00 | 4,000.00 |
| Reserve for CVS Streetscape Program | A-22 | 57,145.50 | 57,145.50 |
| Reserve for Comcast Technology Grant | A-23 | | 13,000.00 |
| Reserve for Workers Compensation | | | 2,844.00 |
| Reserve for Codification of Ordinances | A-24 | 17,071.50 | 25,000.00 |
| Reserve for Revaluation | A-25 | 5,000.00 | 5,000.00 |
| Total Liabilities | | 239,202.76 | 332,317.77 |
| Reserve for Receivables and Other Assets | A | 518,163.38 | 596,531.07 |
| Fund Balance | A-1 | 757,353.59 | 685,115.75 |
| Total Regular Fund | | 1,514,719.73 | 1,613,964.59 |
| Federal and State Grant Fund: | | | |
| Encumbrances Payable | | 7,531.77 | 89,283.08 |
| Due Current Fund | A | 108,066.21 | |
| Unappropriated Reserves | A-27 | | 1,370.46 |
| Appropriated Reserves | A-28 | 138,061.55 | 221,764.06 |
| Total Federal and State Grant Fund | | 253,659.53 | 312,417.60 |
| Total Liabilities, Reserves and Fund Balance | | \$1,768,379.26 | \$1,926,382.19 |

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, 2008 and 2007

| | <u>2008</u> | <u>2007</u> |
|--|----------------------|----------------------|
| Revenue and Other Income Realized: | | |
| Fund Balance Utilized | \$424,000.00 | \$300,000.00 |
| Miscellaneous Revenue Anticipated | 1,607,023.78 | 1,405,176.43 |
| Receipts from Delinquent Taxes | 265,490.71 | 210,842.05 |
| Receipts from Current Taxes | 9,587,929.20 | 9,123,405.38 |
| Nonbudget Revenues | 93,187.37 | 184,314.91 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 24,030.47 | 54,414.07 |
| Encumbrances Canceled | | 51,213.79 |
| Cancellation of Tax Overpayments | 0.05 | 267.64 |
| Cancellation of Reserve Balances | 3,617.00 | |
| Liquidation of Interfunds | 92,932.91 | 202,615.71 |
| | <u>12,098,211.49</u> | <u>11,532,249.98</u> |
| Total Revenue and Other Income Realized | | |
| Expenditures: | | |
| Operations Within "CAPS": | | |
| Salaries and Wages | 1,722,900.00 | 1,629,700.00 |
| Other Expenses | 1,735,710.00 | 1,591,642.00 |
| Deferred Charges and Statutory Expenditures Within "CAPS" | 77,350.54 | 145,248.14 |
| Operations Excluded from "CAPS": | | |
| Salaries and Wages | 94,150.00 | 109,300.00 |
| Other Expenses | 625,919.27 | 296,767.54 |
| Capital Improvements Excluded from "CAPS" | 100.00 | 1,000.00 |
| Municipal Debt Service Excluded from "CAPS" | 258,060.08 | 212,583.72 |
| Deferred Charges and Statutory Expenditures Excluded from "CAPS" | 5,000.00 | |
| County Taxes | 1,962,909.66 | 2,007,366.92 |
| Due County for Added Taxes | 14,660.37 | 8,106.33 |
| Local School District Tax | 5,103,124.00 | 4,886,163.50 |
| Interfund Loan Advanced | | 86,341.39 |
| Cancellation of Receivable | | 20,240.00 |
| Prior Year Senior Citizens Disallowed | 2,089.73 | |
| | <u>11,601,973.65</u> | <u>10,994,459.54</u> |
| Subtotal | | |
| Less: Expenditures to be Raised by Future Taxes | | <u>25,000.00</u> |
| | <u>11,601,973.65</u> | <u>10,969,459.54</u> |
| Total Expenditures | | |
| Statutory Excess to Fund Balance (Carried Forward) | 496,237.84 | 562,790.44 |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2008 and 2007

| | <u>2008</u> | <u>2007</u> |
|--|----------------------------|----------------------------|
| Statutory Excess to Fund Balance (Brought Forward) | \$496,237.84 | \$562,790.44 |
| Fund Balance January 1 | <u>685,115.75</u> | <u>422,325.31</u> |
| Total | 1,181,353.59 | 985,115.75 |
| Decreased by Utilization as Anticipated Revenue | <u>424,000.00</u> | <u>300,000.00</u> |
| Fund Balance December 31 | <u><u>\$757,353.59</u></u> | <u><u>\$685,115.75</u></u> |

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

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Statement of Revenues - Regulatory Basis
 For the Year Ended December 31, 2008

| | <u>BUDGET</u> | <u>SPECIAL NJS 40A:4-87</u> | <u>REALIZED</u> | <u>EXCESS (DEFICIT)</u> |
|---|-----------------------|---------------------------------|-----------------------|-----------------------------|
| Fund Balance Anticipated | <u>\$424,000.00</u> | | <u>\$424,000.00</u> | |
| Miscellaneous Revenues: | | | | |
| Local Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverage | 3,500.00 | | 3,750.00 | \$250.00 |
| Other | 25,000.00 | | 7,533.00 | (17,467.00) |
| Fees and Permits | 25,000.00 | | 55,813.00 | 30,813.00 |
| Fines and Costs: | | | | |
| Municipal Court | 125,000.00 | | 125,268.01 | 268.01 |
| Interest and Costs on Taxes | 40,000.00 | | 57,603.27 | 17,603.27 |
| Sewer Rents | 110,000.00 | | 111,314.37 | 1,314.37 |
| State Aid Without Offsetting Appropriations: | | | | |
| Legislative Initiative Municipal Block Grant | | | | |
| Consolidated Municipal Property Tax Relief Aid | 152,335.00 | | 152,335.00 | |
| Energy Receipts Tax | 342,349.00 | | 342,349.00 | |
| Homeland Security Assistance Aid | 25,000.00 | | 25,000.00 | |
| Uniform Construction Code | 56,000.00 | | 68,823.00 | 12,823.00 |
| Interlocal Agreements: | | | | |
| Municipal Court - Borough of Oaklyn | 146,300.00 | | 167,855.86 | 21,555.86 |
| Special Items Offset with Appropriations: | | | | |
| NJ DOT Grant | 152,000.00 | \$150,000.00 | 302,000.00 | |
| Body Armor Grant | 1,370.46 | 1,272.65 | 2,643.11 | |
| Community Development Block Grant | 37,000.00 | | 37,000.00 | |
| Seatbelt Grant | 4,000.00 | | 4,000.00 | |
| Recycling Tonnage Grant | | 2,560.73 | 2,560.73 | |
| Drunk Driving Enforcement Grant | | 273.12 | 273.12 | |
| Clean Communities Program | | 5,628.82 | 5,628.82 | |
| Alcohol Education and Rehabilitation Fund | | 1,285.09 | 1,285.09 | |
| Camden County Recycling Grant | | 3,988.40 | 3,988.40 | |
| Water Utility Surplus | <u>130,000.00</u> | | <u>130,000.00</u> | |
| | | | | |
| Total | <u>1,374,854.46</u> | <u>165,008.81</u> | <u>1,607,023.78</u> | <u>67,160.51</u> |
| Receipts from Delinquent Taxes | 209,300.54 | | 265,490.71 | 56,190.17 |
| Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes | <u>2,693,845.00</u> | | <u>2,850,014.17</u> | <u>156,169.17</u> |
| Budget Totals | 4,702,000.00 | 165,008.81 | 5,146,528.66 | 279,519.85 |
| Nonbudget Revenues | | | <u>93,187.37</u> | <u>93,187.37</u> |
| Total | <u>\$4,702,000.00</u> | <u>\$165,008.81</u> | <u>\$5,239,716.03</u> | <u>\$372,707.22</u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2008

ANALYSIS OF REALIZED REVENUE

| | | |
|--|-----------------|------------------------------|
| Allocation of Current Tax Collections: | | |
| Revenue from Collections | | \$9,587,929.20 |
| Allocated to School, Fire District, Open Space, and County Taxes | | <u>7,080,694.03</u> |
| Balance for Support of Municipal Budget Appropriations | | 2,507,235.17 |
| Add Appropriation - Reserve for Uncollected Taxes | | <u>342,779.00</u> |
| Amount for Support of Municipal Budget Appropriations | | <u><u>\$2,850,014.17</u></u> |
| | | |
| Receipts from Delinquent Taxes: | | |
| Delinquent Tax Collections | | <u><u>\$265,490.71</u></u> |
| | | |
| Miscellaneous Revenue Not Anticipated: | | |
| Treasurer: | | |
| Photocopies | \$2,275.98 | |
| Payments in Lieu of Taxes | 39,790.00 | |
| Refund of Prior Years Expenditures | 0.00 | |
| Franchise - Cable TV | 16,794.00 | |
| Recycling Revenue | 0.00 | |
| Interest Earned on Investments | 23,149.38 | |
| Senior Citizen and Veterans Administrative Fee | 1,762.26 | |
| Sewer Interest and Costs | 3,096.18 | |
| Sale of Equipment | 3,711.67 | |
| Miscellaneous | <u>2,607.90</u> | <u>93,187.37</u> |
| | | |
| Total | | <u><u>\$93,187.37</u></u> |

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

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

| | <u>Appropriations</u> | | <u>Expended</u> | | <u>Unexpended Balance Cancelled</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 | \$10,800.00 | \$10,800.00 | \$10,750.08 | \$49.92 | |
| Other Expenses | 5,000.00 | 6,100.00 | 6,061.48 | 38.52 | |
| Municipal Clerk | | | | | |
| Salaries and Wages | 45,300.00 | 38,900.00 | 38,806.12 | 93.88 | |
| Other Expenses | 39,500.00 | 21,500.00 | 19,132.90 | 2,367.10 | |
| Financial Administration: | | | | | |
| Salaries and Wages | 53,100.00 | 53,100.00 | 52,909.03 | 190.97 | |
| Other Expenses | 5,600.00 | 5,100.00 | 4,719.90 | 380.10 | |
| Audit Services | | | | | |
| Other Expenses | 25,000.00 | 25,000.00 | 25,000.00 | | |
| Collection of Taxes: | | | | | |
| Salaries and Wages | 95,000.00 | 96,800.00 | 96,539.76 | 260.24 | |
| Other Expenses | 4,500.00 | 4,000.00 | 3,314.07 | 685.93 | |
| Liquidation of Tax Title Liens | | | | | |
| Other Expenses | 1,500.00 | 1,000.00 | 596.40 | 403.60 | |
| Tax Assessment Administration | | | | | |
| Salaries and Wages | 21,600.00 | 21,600.00 | 21,456.48 | 143.52 | |
| Other Expenses | 2,000.00 | 2,000.00 | 1,310.97 | 689.03 | |
| Legal Services and Costs | | | | | |
| Other Expenses | 40,000.00 | 52,500.00 | 52,026.17 | 473.83 | |
| Engineering Services and Costs | | | | | |
| Other Expenses | 20,000.00 | 7,000.00 | 6,936.25 | 63.75 | |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

| | <u>Appropriations</u> | | <u>Expended</u> | | <u>Unexpended Balance Cancelled</u> |
|---|-----------------------|--------------------------------------|----------------------------|-----------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| GENERAL APPROPRIATIONS: | | | | | |
| Operations Within "CAPS": | | | | | |
| Municipal Land Use Law (N.J.S.A. 40:SSD-1): | | | | | |
| Planning Board: | | | | | |
| Salaries and Wages | \$5,700.00 | \$5,700.00 | \$5,692.95 | \$7.05 | |
| Other Expenses | 27,400.00 | 13,900.00 | 13,715.49 | 184.51 | |
| Insurance: | | | | | |
| Surety Bond Premium | | | | | |
| Group Insurance | 551,900.00 | 606,200.00 | 601,709.15 | 4,490.85 | |
| Liability Insurance | 87,500.00 | 78,500.00 | 76,263.07 | 2,236.93 | |
| Workers Compensation | 80,500.00 | 80,500.00 | 80,214.82 | 285.18 | |
| Police | | | | | |
| Salaries and Wages | 1,034,100.00 | 1,021,100.00 | 1,021,032.80 | 67.20 | |
| Other Expenses | 84,000.00 | 90,000.00 | 89,107.53 | 892.47 | |
| Prosecutor | | | | | |
| Salaries and Wages | 6,000.00 | 6,000.00 | 6,000.00 | 0.00 | |
| Civil Defense and Disaster Control | | | | | |
| Salaries and Wages | 2,600.00 | 2,600.00 | 2,479.19 | 120.81 | |
| Other Expenses | 7,000.00 | 6,500.00 | 5,825.05 | 674.95 | |
| Aid to Volunteer Fire Companies | | | | | |
| Other Expenses | 75,000.00 | 75,000.00 | 74,664.27 | 335.73 | |
| First Aid Organization - Contribution | | | | | |
| Salaries and Wages | 12,000.00 | 12,500.00 | 12,275.23 | 224.77 | |
| Fire Hydrant Service | | | | | |
| Salaries and Wages | 49,000.00 | 47,500.00 | 45,572.53 | 1,927.47 | |
| Road Repairs and Maintenance | | | | | |
| Salaries and Wages | 154,800.00 | 156,300.00 | 155,957.35 | 342.65 | |
| Other Expenses | 31,800.00 | 25,800.00 | 24,352.72 | 1,447.28 | |
| Garbage and Trash Collection | | | | | |
| Salaries and Wages | 116,000.00 | 97,500.00 | 97,313.69 | 186.31 | |
| Other Expenses | 45,600.00 | 33,600.00 | 31,209.16 | 2,390.84 | |
| Solid Waste Disposal | | | | | |
| Other Expenses | 166,110.00 | 158,610.00 | 158,184.34 | 425.66 | |
| Public Buildings and Grounds | | | | | |
| Salaries and Wages | 12,300.00 | 12,800.00 | 12,696.92 | 103.08 | |
| Other Expenses | 22,000.00 | 18,000.00 | 15,857.56 | 2,142.44 | |

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2008

| | <u>Appropriations</u> | | <u>Expended</u> | | <u>Unexpended Balance Cancelled</u> |
|---|-----------------------|--------------------------------------|----------------------------|-----------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| GENERAL APPROPRIATIONS: | | | | | |
| Operations Within "CAPS": | | | | | |
| Sewer System | | | | | |
| Salaries and Wages | \$79,900.00 | \$82,400.00 | \$82,314.00 | \$86.00 | |
| Other Expenses | 32,000.00 | 26,000.00 | 24,725.57 | 1,274.43 | |
| Vehicle Maintenance | | | | | |
| Other Expenses | 44,000.00 | 37,800.00 | 36,643.71 | 1,156.29 | |
| Health and Human Services | | | | | |
| Registrar of Vital Statistics | | | | | |
| Salaries and Wages | 1,800.00 | 1,800.00 | 1,693.93 | 106.07 | |
| Other Expenses | 500.00 | 1,000.00 | 624.78 | 375.22 | |
| Parks and Recreation Functions | | | | | |
| Recreation Services and Programs | | | | | |
| Other Expenses | 2,900.00 | 5,400.00 | 5,275.00 | 125.00 | |
| Parks and Playgrounds | | | | | |
| Other Expenses | 2,000.00 | 4,000.00 | 3,612.09 | 387.91 | |
| Environmental Commission | | | | | |
| Other Expenses | 100.00 | 100.00 | | 100.00 | |
| Other Common Operating Functions | | | | | |
| Celebration of Public Event, Anniversary or Holiday | | | | | |
| Other Expenses | 11,000.00 | 11,500.00 | 11,029.72 | 470.28 | |
| Utility and Bulk Purchases | | | | | |
| Electricity | 32,000.00 | 35,000.00 | 34,204.51 | 795.49 | |
| Street Lights | 40,000.00 | 59,000.00 | 58,845.37 | 154.63 | |
| Telephone | 22,000.00 | 28,000.00 | 27,535.56 | 464.44 | |
| Fuel Oil | 17,000.00 | 23,000.00 | 22,531.86 | 468.14 | |
| Gasoline | 59,000.00 | 81,000.00 | 80,928.99 | 71.01 | |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

| | <u>Appropriations</u> | | <u>Expended</u> | | <u>Unexpended Balance Cancelled</u> |
|--|-----------------------|--------------------------------------|----------------------------|--------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| GENERAL APPROPRIATIONS: | | | | | |
| Operations Within "CAPS": | | | | | |
| Municipal Court Functions | | | | | |
| Municipal Court | | | | | |
| Salaries and Wages | \$77,800.00 | \$78,100.00 | \$78,021.13 | \$78.87 | |
| Other Expenses | 50,000.00 | 50,000.00 | 50,000.00 | | |
| Public Defender | | | | | |
| Salaries and Wages | 2,500.00 | 2,500.00 | 2,499.96 | 0.04 | |
| Uniform Construction Code | | | | | |
| State Uniform Construction Code | | | | | |
| Construction Code Official | | | | | |
| 15 Salaries and Wages | 33,500.00 | 34,900.00 | 34,676.76 | 223.24 | |
| Other Expenses | 4,500.00 | 3,100.00 | 2,600.35 | 499.65 | |
| | <u>3,452,710.00</u> | <u>3,458,610.00</u> | <u>3,427,446.72</u> | <u>31,163.28</u> | |
| Total Operations Including Contingent - Within "CAPS" | | | | | |
| Detail: | | | | | |
| Salaries and Wages | 1,752,800.00 | 1,722,900.00 | 1,720,840.15 | 2,059.85 | |
| Other Expenses | 1,699,910.00 | 1,735,710.00 | 1,706,606.57 | 29,103.43 | |
| Deferred Charges and Statutory Expenditures - | | | | | |
| Municipal - Within "CAPS": | | | | | |
| DEFERRED CHARGES | | | | | |
| Deficit in Animal Control Fund | 2,944.91 | 2,944.91 | 2,944.91 | | |
| STATUTORY EXPENDITURES: | | | | | |
| Contribution to: | | | | | |
| Social Security System (O.A.S.I.) | 77,905.63 | 70,405.63 | 70,275.52 | 130.11 | |
| Unemployment Compensation Insurance | 4,000.00 | 4,000.00 | 3,057.52 | 942.48 | |
| | <u>84,850.54</u> | <u>77,350.54</u> | <u>76,277.95</u> | <u>1,072.59</u> | -- |
| Total Deferred Charges and Statutory Expenditures - | | | | | |
| Municipal Within "CAPS" | | | | | |
| | <u>\$3,537,560.54</u> | <u>\$3,535,960.54</u> | <u>\$3,503,724.67</u> | <u>\$32,235.87</u> | -- |
| Total General Appropriations - | | | | | |
| For Municipal Purposes Within "CAPS" | | | | | |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

| | <u>Appropriations</u> | | <u>Expended</u> | | <u>Unexpended Balance Cancelled</u> |
|---|-----------------------|--------------------------------------|----------------------------|-----------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| GENERAL APPROPRIATIONS: | | | | | |
| Operations Excluded from "CAPS": | | | | | |
| Aid to Privately Owned Library | | | | | |
| Salaries and Wages | \$7,600.00 | \$7,600.00 | \$7,509.17 | \$90.83 | |
| Other Expenses | 1,600.00 | 1,600.00 | 1,393.99 | 206.01 | |
| Statutory Expenditures: | | | | | |
| Public Employees Retirement System | 37,200.00 | 37,200.00 | 37,160.80 | 39.20 | |
| Police & Fireman's Retirement System | 158,500.00 | 158,500.00 | 158,426.00 | 74.00 | |
| Recycling Tax | 7,890.00 | 7,890.00 | 7,890.00 | | |
| ☞ Total Other Operations Excluded from "CAPS": | 212,790.00 | 212,790.00 | 212,379.96 | 410.04 | — |
| Interlocal Municipal Service Agreements | | | | | |
| Borough of Oaklyn | | | | | |
| Prosecutor | | | | | |
| Salaries and Wages | 6,000.00 | 6,000.00 | 6,000.00 | | |
| Municipal Court | | | | | |
| Salaries and Wages | 77,800.00 | 78,050.00 | 78,021.13 | 28.87 | |
| Other Expenses | 60,000.00 | 61,350.00 | 61,325.94 | 24.06 | |
| Public Defender | | | | | |
| Salaries and Wages | 2,500.00 | 2,500.00 | 2,499.96 | 0.04 | |
| Total Interlocal Municipal Service Agreements | 146,300.00 | 147,900.00 | 147,847.03 | 52.97 | — |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

| | <u>Appropriations</u> | | <u>Expended</u> | | <u>Unexpended Balance Cancelled</u> |
|---|-----------------------|--------------------------------------|----------------------------|-----------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| GENERAL APPROPRIATIONS: | | | | | |
| Public and Private Programs Offset by Revenues: | | | | | |
| Community Development Block Grant | \$37,000.00 | \$37,000.00 | \$37,000.00 | | |
| Recycling Tonnage Grant | | 2,560.73 | 2,560.73 | | |
| Police Body Armor | 1,370.46 | 2,643.11 | 2,643.11 | | |
| Alcohol Education Rehab Enforcement Grant | | 1,285.09 | 1,285.09 | | |
| Drunk Driving Enforcement Fund | | 273.12 | 273.12 | | |
| Clean Communities Grant | | 5,628.82 | 5,628.82 | | |
| New Jersey Transportation Trust Fund | 152,000.00 | 302,000.00 | 302,000.00 | | |
| Seatbelt Enforcement Grant | 4,000.00 | 4,000.00 | 4,000.00 | | |
| Camden County Recycling Rebate | | 3,988.40 | 3,988.40 | | |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Public and Private Programs Offset by Revenues | 194,370.46 | 359,379.27 | 359,379.27 | --- | --- |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Operations - Excluded From "CAPS" | 553,460.46 | 720,069.27 | 719,606.26 | \$463.01 | --- |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Detail: | | | | | |
| Salaries and Wages | 93,900.00 | 94,150.00 | 94,030.26 | 119.74 | |
| Other Expenses | 459,560.46 | 625,919.27 | 625,576.00 | 343.27 | |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

| | <u>Appropriations</u> | | <u>Expended</u> | | <u>Unexpended Balance Cancelled</u> |
|---|------------------------------|--------------------------------------|------------------------------|---------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| GENERAL APPROPRIATIONS: | | | | | |
| Capital Improvements - Excluded From "CAPS" | | | | | |
| Capital Improvement Fund | \$100.00 | \$100.00 | \$100.00 | -- | -- |
| Total Capital Improvements - Excluded From "CAPS" | <u>100.00</u> | <u>100.00</u> | <u>100.00</u> | <u>--</u> | <u>--</u> |
| Municipal Debt Service - Excluded From "CAPS" | | | | | |
| Payment of Bond Principal | 110,000.00 | 110,000.00 | 110,000.00 | | |
| Payment of Bond Anticipation Notes and Capital Notes | 65,000.00 | 65,000.00 | 64,500.00 | | \$500.00 |
| Interest on Bonds | 3,100.00 | 3,100.00 | 3,093.75 | | 6.25 |
| Interest on Notes | 29,000.00 | 29,000.00 | 25,429.41 | | 3,570.59 |
| Camden County Imp. Authority - Lease(NJSA 40A:4-45.3(j)) | 56,000.00 | 56,000.00 | 55,036.92 | | 963.08 |
| Total Municipal Dept Service - Excluded From "CAPS" | <u>263,100.00</u> | <u>263,100.00</u> | <u>258,060.08</u> | <u>--</u> | <u>5,039.92</u> |
| DEFERRED CHARGES - Municipal - Excluded from "CAPS" | | | | | |
| Special Emergency Authorizations | 5,000.00 | 5,000.00 | 5,000.00 | | |
| Total Deferred Charges - Municipal-Excluded from "CAPS" | <u>5,000.00</u> | <u>5,000.00</u> | <u>5,000.00</u> | <u>--</u> | <u>--</u> |
| Total General Appropriations for Municipal Purposes Excluded From "CAPS" | <u>821,660.46</u> | <u>988,269.27</u> | <u>982,766.34</u> | <u>\$463.01</u> | <u>\$5,039.92</u> |
| Subtotal General Appropriations | 4,359,221.00 | 4,524,229.81 | 4,486,491.01 | 32,698.88 | 5,039.92 |
| Reserve for Uncollected Taxes | 342,779.00 | 342,779.00 | 342,779.00 | | |
| TOTAL GENERAL APPROPRIATIONS | <u><u>\$4,702,000.00</u></u> | <u><u>\$4,867,008.81</u></u> | <u><u>\$4,829,270.01</u></u> | <u><u>\$32,698.88</u></u> | <u><u>\$5,039.92</u></u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

Analysis of Budget After Modification:

| | | |
|---------------------------|-------------------|-----------------------|
| Original Budget | \$4,702,000.00 | |
| By Appropriation 40A:4-87 | <u>165,008.81</u> | |
| | | <u>\$4,867,008.81</u> |

Analysis of Paid or Charged:

| | | |
|---|---------------------|---------------------------|
| Reserve for Federal and State Grants - Appropriated | \$359,379.27 | |
| Reserve for Uncollected Taxes | 342,779.00 | |
| Encumbrances Payable | 45,559.83 | |
| Deferred Charges | 5,000.00 | |
| Cash Disbursed | <u>4,076,551.91</u> | |
| Total | | <u>\$4,829,270.01</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, 2008 and 2007

| | <u>REFERENCE</u> | <u>2008</u> | <u>2007</u> |
|--|------------------|---------------------|---------------------|
| <u>ASSETS</u> | | | |
| Animal Control Fund: | | | |
| Cash - Treasurer | B-1 | \$1,430.92 | \$213.10 |
| Deficit in Dog Fund | B-2 | 1,724.09 | 2,944.91 |
| Total Animal Control Fund | | <u>3,155.01</u> | <u>3,158.01</u> |
| Other Funds: | | | |
| Cash - Treasurer | B-1 | 102,799.77 | 104,924.00 |
| Due from Current Fund | A | 700.94 | |
| Accounts Receivable | | 4,212.82 | 10,141.60 |
| Total Other Funds | | <u>107,713.53</u> | <u>115,065.60</u> |
| Total Assets | | <u>\$110,868.54</u> | <u>\$118,223.61</u> |
| <u>LIABILITIES AND RESERVES</u> | | | |
| Animal Control Fund: | | | |
| Due State of New Jersey | | \$20.40 | \$23.40 |
| Due Current Fund | A | 3,134.61 | 3,134.61 |
| Total Animal Control Fund | | <u>3,155.01</u> | <u>3,158.01</u> |
| Other Funds: | | | |
| Due Current Fund | A | 18,916.93 | 19,081.00 |
| Due to Oaklyn Borough Municipal Court | | 8,348.00 | |
| Reserve for : | | | |
| Unemployment Compensation | B-3 | 1,635.71 | 11,131.27 |
| Escrow Trust Fund | B-4 | 25,238.16 | 26,319.59 |
| Law Enforcement - Forfeited Funds | B-5 | 4,675.17 | 4,540.50 |
| Tax Title Lien Redemption Trust | B-6 | 47,410.92 | 50,071.58 |
| Off Duty Police | B-7 | 811.60 | 2,158.04 |
| Public Defender Fees | B-8 | 34.87 | 1,723.62 |
| POAA Fees | B-9 | 40.00 | 40.00 |
| COAH Fees | B-10 | 602.17 | |
| Total Other Funds | | <u>107,713.53</u> | <u>115,065.60</u> |
| Total Liabilities and Reserves | | <u>\$110,868.54</u> | <u>\$118,223.61</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, 2008 and 2007

| | <u>REFERENCE</u> | <u>2008</u> | <u>2007</u> |
|--|------------------|-----------------------|-----------------------|
| <u>ASSETS</u> | | | |
| Cash - Treasurer | C-2 | \$257,689.58 | \$69,846.03 |
| Due from Camden County Improvement Authority | | 2,909.65 | 2,909.65 |
| Amount to be Provided by Lease | | 651,000.00 | 676,000.00 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | | 110,000.00 |
| Unfunded | C-5 | <u>3,904,405.00</u> | <u>579,500.00</u> |
| Total | | <u>\$4,816,004.23</u> | <u>\$1,438,255.68</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| General Serial Bonds Payable | C-9 | | 110,000.00 |
| Bond Anticipation Notes Payable | C-10 | 904,405.00 | 294,500.00 |
| Obligations Under Capital Lease | C-11 | 651,000.00 | 676,000.00 |
| Encumbrances Payable | C-7 | 73,051.70 | |
| Improvement Authorizations: | | | |
| Funded | C-8 | 1,181.77 | 1,181.77 |
| Unfunded | C-8 | 3,150,583.34 | 117,047.36 |
| Capital Improvement Fund | C-6 | 16,035.00 | 36,430.00 |
| Due to Current Fund | A | 18,955.32 | 203,096.55 |
| Due to Federal and State Grant Fund | A | 792.10 | |
| Fund Balance | C-1 | | |
| Total | | <u>\$4,816,004.23</u> | <u>\$1,438,255.68</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, 2008

Balance December 31, 2007 and 2008

-0-

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

BOROUGH OF MOUNT EPHRAIM
Water Utility Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Year Ended December 31, 2008 and 2007

| <u>ASSETS</u> | <u>REFERENCE</u> | <u>2008</u> | <u>2007</u> |
|--|------------------|---------------------|---------------------|
| Operating Fund: | | | |
| Cash | D-5 | \$147,139.12 | \$258,136.39 |
| Due from Current Fund | A | | 300.00 |
| Receivables with Full Reserves: | | | |
| Consumer Accounts Receivable | D-6 | <u>5,652.86</u> | <u>44,751.97</u> |
| Total Operating Fund | | <u>152,791.98</u> | <u>303,188.36</u> |
| Total Assets | | <u>\$152,791.98</u> | <u>\$303,188.36</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Operating Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | D-7 | | \$23,769.33 |
| Encumbrances Payable | | | 29,138.08 |
| Water Rent Overpayments | | <u>\$1,005.16</u> | <u>1,007.97</u> |
| Total Liabilities | | <u>1,005.16</u> | <u>53,915.38</u> |
| Reserve for Receivables | D | 5,652.86 | 44,751.97 |
| Fund Balance | D-1 | <u>146,133.96</u> | <u>204,521.01</u> |
| Total Operating Fund | | <u>152,791.98</u> | <u>303,188.36</u> |
| Total Liabilities, Reserves and Fund Balance | | <u>\$152,791.98</u> | <u>\$303,188.36</u> |

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

BOROUGH OF MOUNT EPHRAIM
Water Utility Operating Fund
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2008 and 2007

| | <u>2008</u> | <u>2007</u> |
|---|----------------------------|----------------------------|
| Revenue and Other Income Realized: | | |
| Fund Balance Utilized | | \$20,000.00 |
| Water Rents | \$38,952.25 | 438,171.68 |
| Miscellaneous | 8,957.40 | 29,219.75 |
| Other Credits to Income: | | |
| Cancellation of Utility Rent Overpayment | 2.81 | |
| Cancellation of Interfund | | 5,000.00 |
| Unexpended Balance of Appropriation Reserves | <u>23,700.49</u> | <u>86,363.66</u> |
| Total Revenue and Other Income Realized | <u>71,612.95</u> | <u>578,755.09</u> |
| Expenditures: | | |
| Operating | | 421,000.00 |
| Deferred Charges and Statutory Expenditures | | 5,000.00 |
| Operating Surplus Transferred to Current Fund | <u>130,000.00</u> | |
| Total Expenditures | <u>130,000.00</u> | <u>426,000.00</u> |
| Excess in Revenue | (58,387.05) | 152,755.09 |
| Fund Balance January 1 | <u>204,521.01</u> | <u>71,765.92</u> |
| Total | 146,133.96 | 224,521.01 |
| Decreased by Utilization by Water Utility Operating Budget | | <u>20,000.00</u> |
| Balance December 31 | <u><u>\$146,133.96</u></u> | <u><u>\$204,521.01</u></u> |

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

BOROUGH OF MOUNT EPHRAIM
Water Utility Capital Fund
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2008

Balance December 31, 2007 and 2008

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

BOROUGH OF MOUNT EPHRAIM
Water Utility Operating Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2008

| | <u>Anticipated</u> | <u>Realized</u> | <u>Excess (Deficit)</u> |
|---------------|--------------------|-----------------|-----------------------------|
| Water Rents | | \$38,952.25 | \$38,952.25 |
| Miscellaneous | | 8,957.40 | 8,957.40 |
| Total | - | \$47,909.65 | \$47,909.65 |

Analysis of Realized Revenues

| | |
|--|------------|
| Miscellaneous: | |
| Interest Earned on Bank Deposits and Investments | \$5,239.75 |
| Water Penalties | 3,717.65 |
| | \$8,957.40 |

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

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

In accordance with the "Requirements", the Borough of Mount Ephraim accounts for its financial transactions through the use of separate funds which are described as follows.

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

General Capital Fund - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Budgets and Budgetary Accounting - The Borough of Mount Ephraim must adopt an annual budget for its current fund and s utility operating funds in accordance with the N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to the adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2008

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

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

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

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

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

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has not adopted a capitalization threshold as required by the Circular.

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

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2008**

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

General Fixed Assets (Continued)

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

No depreciation of general fixed assets is recorded.

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

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

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

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

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough's budget. Receivables for property taxes and sewer rents are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's Current Fund and Sewer Utility Operating Fund, respectively; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2008**

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the Mount Ephraim Borough School District and the County of Camden. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting and remitting school taxes for the Mount Ephraim School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1, 2008 to December 31, 2008.

County Taxes - The Borough is responsible for levying, collecting and remitting county taxes for the County of Camden. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Outstanding encumbrances are offset by an account entitled "Reserve for Encumbrances". The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Expenditures - Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is provided on the accrual basis.

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

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk - Custodial credit is the risk that, in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough's formal policy regarding custodial credit risk is the same as described in Note 1, N.J.S.A. 17:9-41 et seq. and included in its cash management plan. The Borough shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). As of December 31, 2008 the Borough's bank balance of \$1,501,056 was insured or collateralized as follows:

| | | |
|---------------------------------|-----------|-------------------------|
| Insured by depository insurance | \$ | 250,000 |
| Collateralized under GUDPA | | <u>1,251,056</u> |
| Total | \$ | <u>1,501,056</u> |

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2008**

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>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Total Tax Rate | \$ 5.610 | \$ 5.372 | \$ 5.008 | \$ 4.456 | \$ 3.994 |
| Apportionment of Tax Rate: | | | | | |
| Municipal | 1.548 | 1.394 | 1.307 | 1.257 | 1.233 |
| County | 1.129 | 1.159 | 1.197 | 1.041 | .994 |
| Local School District | 2.933 | 2.819 | 2.504 | 2.158 | 1.767 |

| <u>Assessed Valuation</u> | <u>Amount</u> |
|---------------------------|----------------|
| 2008 | \$ 173,985,084 |
| 2007 | 173,312,920 |
| 2006 | 172,628,739 |
| 2005 | 171,510,075 |
| 2004 | 170,750,302 |

| <u>Comparison of Tax Levies and Collections</u> | | | |
|---|-----------------|--------------------|----------------------------------|
| <u>Year Ended</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of Collections</u> |
| 2008 | \$ 9,832,727 | \$ 9,587,929 | 97.51 % |
| 2007 | 9,123,405 | 9,347,943 | 97.59 |
| 2006 | 8,650,498 | 8,442,940 | 97.60 |
| 2005 | 7,671,107 | 7,505,682 | 97.84 |
| 2004 | 6,861,154 | 6,704,029 | 97.71 |

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> |
|-------------------|------------------------|-------------------------|-------------------------|-------------------------------|
| 2008 | \$ 89,012 | \$ 235,887 | \$ 324,899 | 3.30 % |
| 2007 | 84,894 | 267,329 | 352,223 | 3.86 |
| 2006 | 65,336 | 246,497 | 311,833 | 3.60 |
| 2005 | 62,237 | 181,015 | 243,253 | 3.17 |
| 2004 | 59,483 | 173,922 | 233,406 | 3.40 |

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2008**

NOTE 3. PROPERTY TAXES

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

| <u>Year Ended</u> | <u>Number</u> |
|-------------------|---------------|
| 2008 | 15 |
| 2007 | 15 |
| 2006 | 15 |
| 2005 | 15 |
| 2004 | 15 |

NOTE 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

| <u>Year Ended</u> | <u>Amount</u> |
|-------------------|---------------|
| 2008 | \$ 9,400 |
| 2007 | 9,400 |
| 2006 | 322,200 |
| 2005 | 322,200 |
| 2004 | 322,200 |

NOTE 5. SEWER UTILITY LEVY

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

| <u>Year Ended</u> | <u>Sewer Utility Levy</u> | | <u>Percentage of Collections</u> |
|-------------------|---------------------------|--------------------|--------------------------------------|
| <u>Year Ended</u> | <u>Levy</u> | <u>Collections</u> | |
| 2008 | \$ 111,678 | \$ 106,478 | 95.34 % |
| 2007 | 111,780 | 106,944 | 95.67 |
| 2006 | 114,288 | 113,061 | 98.93 |
| 2005 | 113,770 | 112,539 | 98.92 |
| 2004 | 109,570 | 109,691 | 100.11 |

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2008**

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> |
|---------------------|--------------------------------|--|--|
| 2008 | \$ 757,354 | \$ 423,000 | 55.85 % |
| 2007 | 685,116 | 424,000 | 61.88 |
| 2006 | 422,325 | 300,000 | 71.03 |
| 2005 | 816,038 | 412,792 | 50.58 |
| 2004 | 828,743 | 404,274 | 48.78 |

NOTE 7. PENSION PLANS

Description of Plans - The Borough contributes to two cost-sharing multiple-employer defined benefit pension plans, which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division): the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS). These plans provide 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 for the PERS, and N.J.S.A. 43A:16A and 43:3B for PFRS. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

Contribution Requirements - 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 are required to contribute 5% of their annual covered salary. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. The Borough is billed annually for its normal contribution plus any accrued liability.

The Borough's contributions to the various plans, equal to the required contributions are as follows:

Public Employees Retirement System

| <u>Fiscal Year</u> | <u>Normal Contribution</u> | <u>Accrued Liability</u> | <u>Total Liability</u> | <u>Funded by State</u> | <u>Paid by Borough</u> |
|------------------------|--------------------------------|------------------------------|----------------------------|----------------------------|----------------------------|
| 2008 | \$ 26,234 | \$ 20,217 | \$ 46,451 | \$ 9,290 | \$ 37,161 |
| 2007 | 25,163 | 13,067 | 38,230 | 15,292 | 22,938 |

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2008**

NOTE 7. PENSION PLANS (CONT'D)

Police and Firemen's Retirement System

| <u>Fiscal Year</u> | <u>Normal Contribution</u> | <u>Accrued Liability</u> | <u>Total Liability</u> | <u>Funded by State</u> | <u>Paid by Borough</u> |
|------------------------|--------------------------------|------------------------------|----------------------------|----------------------------|----------------------------|
| 2008 | \$ 99,581 | \$ 58,845 | \$ 158,426 | - | \$ 158,426 |
| 2007 | 84,227 | 42,028 | 126,255 | 25,251 | 101,004 |

Under the provisions of Chapter 108, P.L. 2003 the Borough's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Borough is paying 100% of the total normal contribution and accrued liability.

NOTE 8. 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, 2008, accrued benefits for compensated absences are valued at \$65,698.

NOTE 9. 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 two years:

| <u>Year</u> | <u>Employee Withholdings</u> | <u>Interest Earned</u> | <u>Other Income</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|----------------------------------|----------------------------|-------------------------|------------------------------|---------------------------|
| 2008 | \$ 2,716 | \$ 267 | \$ 18,878 | \$ 31,356 | \$ 1,636 |
| 2007 | 7,703 | | | 2,398 | 11,131 |
| 2006 | 3,345 | 80 | | | 5,826 |

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2008**

NOTE 10. CAPITAL DEBT

Summary of Municipal Debt

| | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|---------------------|----------------|-------------------|
| Issued: | | | |
| General Bonds and Notes | \$ 904,405 | 404,500 | \$ 295,504 |
| Net Debt Issued | <u>904,405</u> | <u>404,500</u> | <u>295,504</u> |
| Authorized But Not Issued: | | | |
| General - Bonds and Notes | 3,000,000 | 285,000 | 265,500 |
| Net Bonds and Notes Issued and Authorized But Not Issued | <u>\$ 3,904,405</u> | <u>689,500</u> | <u>\$ 552,004</u> |

Bond Anticipation Notes Payable

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

As of December 31, 2008, the Borough had \$904,405 in outstanding general capital bond anticipation notes, maturing on October 27, 2009 with an interest rate of 3.13%.

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 1.64%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------------|----------------------|-----------------------------|---------------------|
| Local School District Debt | \$ 10,197,172 | \$ 9,115,817 | \$ 1,081,355 |
| General Debt | <u>3,904,405</u> | <u> </u> | <u>3,904,405</u> |
| Total | <u>\$ 14,101,577</u> | <u>\$ 9,115,817</u> | <u>\$ 4,985,760</u> |

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2008**

NOTE 10. CAPITAL DEBT (CONT'D)

Net Debt, \$4,985,760 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$303,860,568 equals 1.64%.

Equalized Valuation Basis:

| | | | |
|---------|----|-------------|--|
| 2006 | \$ | 283,288,838 | |
| 2007 | | 306,275,624 | |
| 2008 | | 322,017,241 | |
| Average | \$ | 303,860,568 | |

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

| | | | |
|---|----|------------|--|
| 3-1/2% of Equalized Valuation Basis (Municipal) | \$ | 10,635,120 | |
| Net Debt | | 4,985,760 | |
| Remaining Borrowing Power | \$ | 5,649,360 | |

NOTE 11. LEASE OBLIGATIONS

The Borough has a lease agreement in effect at December 31, 2008 for various capital improvements with the Camden County Improvement Authority and for a 25 Yard Refuse Truck.

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> | |
| 2009 | \$ 52,096 | \$ 34,016 | \$ 86,112 |
| 2010 | 55,519 | 31,552 | 87,071 |
| 2011 | 58,018 | 28,653 | 86,671 |
| 2012 | 29,000 | 26,057 | 55,057 |
| 2013 | 31,000 | 24,704 | 55,704 |
| 2014-18 | 180,000 | 99,929 | 279,929 |
| 2019-23 | 223,000 | 56,944 | 279,944 |
| 2024-25 | 105,000 | 7,322 | 112,322 |
| Total | \$ 733,633 | \$ 309,177 | \$ 1,042,810 |

NOTE 12. INTERLOCAL SERVICE AGREEMENT

The Borough has entered into an Interlocal Service Agreement with the Borough of Oaklyn for the following service:

| <u>Services</u> | <u>Period of Contract</u> | <u>Amount of Agreement</u> |
|-----------------|---------------------------|--------------------------------|
| Municipal Court | 1/01/08 -12/31/08 | \$147,900.00 |

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2008**

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, 2008.

| <u>Fund</u> | <u>Interfunds Receivable</u> | <u>Interfunds Payable</u> |
|------------------------------|----------------------------------|-------------------------------|
| Current Fund | \$ 149,073 | \$ 701 |
| Federal and State Grant Fund | | 108,066 |
| Animal Control Fund | | 3,135 |
| Other Trust Funds | 701 | 18,917 |
| General Capital Fund | | 18,955 |
| | <u>\$ 149,774</u> | <u>\$ 149,774</u> |

NOTE 14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2008, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

| | <u>Balance December 31, 2008</u> | <u>2009 Budget Appropriation</u> | <u>Balance to Succeeding Years</u> |
|-------------------|--|--------------------------------------|--|
| Current Fund: | | | |
| Special Emergency | \$ 20,000.00 | \$ 5,000.00 | \$ 15,000.00 |

The appropriations in the 2009 Budget as introduced are not less than that required by the statutes.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2008

| | <u>CURRENT FUND</u> | <u>FEDERAL AND STATE GRANT FUND</u> |
|--|----------------------|-------------------------------------|
| Balance December 31, 2007 | \$990,699.57 | \$125,623.00 |
| Receipts: | | |
| Taxes Receivable | \$9,693,162.61 | |
| Prepaid Taxes | 44,237.09 | |
| Tax Overpayments | 7,416.48 | |
| Revenue Accounts Receivable | 1,136,450.14 | |
| Sewer Rent Charges | 110,991.60 | |
| Sewer Rent Overpayments | 265.16 | |
| Due State of New Jersey: | | |
| Burial Permits | 1,040.00 | |
| Marriage License Fees | 650.00 | |
| UCC Fees | 2,228.00 | |
| Due from State of New Jersey for Senior Citizens and Veterans Deductions | 88,113.01 | |
| Miscellaneous Revenues Not Anticipated | 93,187.37 | |
| Reserve for Maintenance of Library | 324.00 | |
| Reserve for DRPA Contribution | 5,000.00 | |
| Due from Other Trust Funds | 19,110.69 | |
| Due to Other Trust Funds | 222.92 | \$108,066.21 |
| Due from Water Operating Fund | 99,975.47 | |
| Due to General Capital Fund | 195,254.10 | |
| Budget Refunds | 159,866.24 | |
| Federal and State Grants Receivable | | <u>\$291,935.98</u> |
| Total Receipts | <u>11,657,494.88</u> | <u>\$400,002.19</u> |
| Sub-Total | 12,648,194.45 | 525,625.19 |
| Disbursements: | | |
| 2008 Appropriations | 4,076,551.91 | |
| 2007 Appropriation Reserves | 109,289.35 | |
| Encumbrances Payable | | 87,416.02 |
| County Taxes | 1,971,015.99 | |
| Local School Taxes Payable | 5,103,124.00 | |
| Reserve for Comcast Technology Grant | 13,000.00 | |
| Reserve for Enhancement to Norcross Avenue | 4,228.02 | |
| Reserve for Codification of Ordinances | 7,928.50 | |
| Reserve for DRPA Contribution | 5,000.00 | |
| Due State of New Jersey: | | |
| Burial Permits | 860.00 | |
| Marriage License Fees | 625.00 | |
| UCC Fees | 2,129.00 | |
| Due from Federal and State Grant Fund | 108,066.21 | |
| Due from General Capital Fund | 4,828.98 | 792.10 |
| Due from Animal Control Fund | | |
| Due from Other Trust Fund | 29.69 | |
| Due from Water Utility Operating Fund | 100,275.47 | |
| Refund of Tax Overpayments | 6,850.95 | |
| Budget Refunds | 159,866.24 | |
| Federal and State Appropriated Reserves | | <u>437,417.07</u> |
| Total Disbursements | <u>11,673,669.31</u> | <u>525,625.19</u> |
| Balance December 31, 2008 | <u>\$974,525.14</u> | <u>-</u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Change Fund
For the Year Ended December 31, 2008

| | |
|------------------------------------|------------------------|
| Balance December 31, 2007 and 2008 | <u><u>\$150.00</u></u> |
|------------------------------------|------------------------|

EXHIBIT A-6

Schedule of Due to State of New Jersey
for Senior Citizens and Veterans Deductions
For the Year Ended December 31, 2008

| | |
|--|--------------------------|
| Balance December 31, 2007 | \$1,583.95 |
| Increased by: | |
| Senior Citizen Deductions per Duplicate | \$23,000.00 |
| Veterans Deductions per Duplicate | 68,000.00 |
| Veteran Deductions Allowed by Collector | 875.00 |
| Senior Citizen Deductions Allowed by Collector | <u>1,500.00</u> |
| Subtotal | 93,375.00 |
| Less - Disallowed Senior Citizens | <u>4,964.73</u> |
| Subtotal | <u>88,410.27</u> |
| Subtotal | 89,994.22 |
| Increased by: | |
| Collected | <u>88,113.01</u> |
| Balance December 31, 2008 | <u><u>\$1,881.21</u></u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2008

| Year | Balance | 2008 Levy | Added Taxes | COLLECTIONS BY CASH | | State Share of 2008 Senior Citizens and Veterans Deductions Allowed | Overpayments Applied | Transferred to Tax Title Lien | Cancelled | Balance |
|----------|---------------------|-----------------------|-------------------|---------------------|-----------------------|---|----------------------|-------------------------------|-------------------|---------------------|
| | Dec. 31, 2007 | | | 2007 | 2008 | | | | | Dec. 31, 2008 |
| 2000 | \$3,075.63 | | | | 2,671.84 | | | | | \$403.79 |
| 2003 | 6,731.55 | | | | 6,731.55 | | | | | 0.00 |
| 2004 | 11,626.28 | | | | 10,775.21 | | | | | 851.07 |
| 2005 | 13,629.35 | | | | 13,629.35 | | | | | 0.00 |
| 2006 | 13,181.05 | | | | 13,181.05 | | | | | 0.00 |
| 2007 | <u>219,084.95</u> | | <u>2,089.73</u> | | <u>218,501.71</u> | | | | <u>1,388.11</u> | <u>1,284.86</u> |
| Subtotal | 267,328.81 | | 2,089.73 | | 265,490.71 | | | | 1,388.11 | 2,539.72 |
| 2008 | | <u>\$9,832,726.98</u> | | <u>\$61,911.50</u> | <u>9,427,671.90</u> | <u>\$90,500.00</u> | <u>\$7,845.80</u> | <u>\$4,117.74</u> | <u>\$7,333.09</u> | <u>233,346.95</u> |
| Total | <u>\$267,328.81</u> | <u>\$9,832,726.98</u> | <u>\$2,089.73</u> | <u>\$61,911.50</u> | <u>\$9,693,162.61</u> | <u>\$90,500.00</u> | <u>\$7,845.80</u> | <u>\$4,117.74</u> | <u>\$8,721.20</u> | <u>\$235,886.67</u> |

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Analysis of Property Tax Levy

| | | |
|---|------------------|-----------------------|
| Tax Yield: | | |
| General Purpose Tax | | \$9,669,563.21 |
| Added Taxes | | 72,163.77 |
| Senior Citizens and Veterans Deductions Allowed | | |
| Per Original Levy | | <u>91,000.00</u> |
| Total | | <u>\$9,832,726.98</u> |
| Tax Levy: | | |
| Local School Tax (Abstract) | | \$5,103,124.00 |
| County Tax (Abstract) | \$1,773,951.20 | |
| County Library Tax (Abstract) | 127,207.62 | |
| County Open Space Tax (Abstract) | 61,750.84 | |
| County Added Taxes | <u>14,660.37</u> | 1,977,570.03 |
| Local Open Space Tax (Abstract) | | |
| Local Tax for Municipal Purposes | 2,693,845.00 | |
| Additional Tax Levies | <u>58,187.95</u> | |
| Total | | <u>2,752,032.95</u> |
| Total | | <u>9,832,726.98</u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Tax Liens Receivable
For the Year Ended December 31, 2008

| | |
|---------------------------------|---------------------------|
| Balance December 31, 2007 | \$84,894.01 |
| Increased by: | |
| Transfers from Taxes Receivable | <u>4,117.74</u> |
| Balance December 31, 2008 | <u><u>\$89,011.75</u></u> |

Schedule of Property Acquired for Taxes
For the Year Ended December 31, 2008

| | |
|------------------------------------|--------------------------|
| Balance December 31, 2007 and 2008 | <u><u>\$9,400.00</u></u> |
|------------------------------------|--------------------------|

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Sewer Service Charges Receivable
For the Year Ended December 31, 2008

| | | |
|---------------------------|--------------|------------|
| Balance December 31, 2007 | | \$4,836.09 |
| Increased by: | | |
| 2008 Billings | | 111,677.80 |
| | | 116,513.89 |
| Decreased by: | | |
| 2008 Collections | \$110,991.60 | |
| Overpayments Applied | 322.77 | 111,314.37 |
| Balance December 31, 2008 | | \$5,199.52 |

Schedule of Local Grants Receivable
For the Year Ended December 31, 2008

| | | |
|------------------------------------|--|------------|
| Balance December 31, 2007 and 2008 | | \$4,760.00 |
|------------------------------------|--|------------|

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Revenue Accounts Receivable
 For the Year Ended December 31, 2008

| | <u>Balance</u> <u>Dec. 31, 2007</u> | <u>Accrued in</u> <u>2008</u> | <u>Collected</u> <u>By</u> <u>Treasurer</u> | <u>Balance</u> <u>Dec. 31, 2008</u> |
|--|--|----------------------------------|---|--|
| Alcoholic Beverage Licenses | | \$3,750.00 | \$3,750.00 | |
| Other Licenses | | 7,533.00 | 7,533.00 | |
| Fees and Permits | | 55,813.00 | 55,813.00 | |
| Municipal Court - Fines and Costs | | 150,100.38 | 125,268.01 | \$24,832.37 |
| Interest and Costs on Taxes | | 57,603.27 | 57,603.27 | |
| Consolidated Municipal Property Tax Relief | | 152,335.00 | 152,335.00 | |
| Energy Receipts Tax | | 342,349.00 | 342,349.00 | |
| Municipal Homeland Security | | 25,000.00 | 25,000.00 | |
| Uniform Construction Code | | 68,943.00 | 68,943.00 | |
| Water Utility Surplus | | 130,000.00 | 130,000.00 | |
| Borough of Oaklyn - Interlocal Agreement | | 167,855.86 | 167,855.86 | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | - | <u>\$1,161,282.51</u> | <u>\$1,136,450.14</u> | <u>\$24,832.37</u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Statement of Deferred Charges
 N.J.S. 40A:4-55 Special Emergency Authorizations
 For the Year Ended December 31, 2008

| <u>Purpose</u> | <u>Date Authorized</u> | <u>Amount Authorized</u> | <u>Balance December 31, 2007</u> | <u>Added in 2008</u> | <u>Raised in 2008 Budget</u> | <u>Balance December 31, 2008</u> |
|----------------------------|------------------------|--------------------------|----------------------------------|----------------------|------------------------------|----------------------------------|
| Codification of Ordinances | 4/5/2007 | 25,000.00 | <u>\$25,000.00</u> | | <u>\$5,000.00</u> | <u>\$20,000.00</u> |
| Total | | | <u>\$25,000.00</u> | - | <u>\$5,000.00</u> | <u>\$20,000.00</u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of 2007 Appropriation Reserves
For the Year Ended December 31, 2008

| | Balance Dec. 31, 2007 | Balance after Transfers | Encumbrances Dec. 31, 2007 | Disbursed | Balance Lapsed |
|--|--------------------------|----------------------------|-------------------------------|---------------------|--------------------|
| Other Expenses - Within Caps | | | | | |
| Municipal Clerk's Office | \$1,333.08 | \$1,333.08 | \$852.56 | \$1,036.91 | \$1,148.73 |
| Financial Administration | 439.69 | 439.69 | 624.53 | 624.53 | 439.69 |
| Legal Services and Costs | 78.85 | 4,078.85 | 6,707.30 | 10,437.18 | 348.97 |
| Engineering Services and Costs | 3,295.92 | (14,704.08) | 33,887.38 | 19,143.75 | 39.55 |
| Planning Board | 1,679.84 | 2,679.84 | 42.57 | 2,717.01 | 5.40 |
| Municipal Court | 1,019.86 | 19.86 | | | 19.86 |
| Insurance | | | | | |
| Group Insurance | 9,949.73 | 449.73 | | | 449.73 |
| Liability Insurance | 11,493.00 | 4,293.00 | | 4,052.03 | 240.97 |
| Police | 1,052.40 | 1,052.40 | 3,275.97 | 3,993.01 | 335.36 |
| Civil Defense and Disaster Control | 48.82 | 148.82 | 305.64 | 420.64 | 33.82 |
| Aid to Volunteer Fire Companies | 3,902.68 | 4,402.68 | 13,906.71 | 18,096.86 | 212.53 |
| First Aid Organization - Contribution | 240.40 | 1,240.40 | 118.54 | 914.00 | 444.94 |
| Office of Director | 15.01 | 15.01 | 59.99 | 59.99 | 15.01 |
| Recreation Services and Programs | 175.00 | 175.00 | 225.00 | 225.00 | 175.00 |
| Road Repairs & Maintenance | 810.79 | 810.79 | 54.00 | 154.23 | 710.56 |
| Public Buildings and Grounds | 1,753.97 | 1,753.97 | 711.96 | 1,300.90 | 1,165.03 |
| Celebration of Public Event, | 673.91 | 673.91 | 95.00 | 469.50 | 299.41 |
| Sewer System | 3,887.31 | 3,887.31 | | 3,639.79 | 247.52 |
| Garbage and Trash Removal | 866.29 | 1,866.29 | | 1,244.65 | 621.64 |
| Solid Waste Disposal | 840.14 | 10,840.14 | 112.00 | 10,500.91 | 451.23 |
| Borough Vehicle Maintenance | 706.22 | 10,706.22 | 3,952.65 | 14,046.39 | 612.48 |
| Utilities: | | | | | |
| Telephone | 126.64 | 3,326.64 | | 3,068.43 | 258.21 |
| Gasoline | 277.38 | 3,277.38 | 3,044.37 | 6,131.11 | 190.64 |
| Water | 782.08 | 782.08 | 29.37 | | 811.45 |
| Heating Fuel | | | 1,361.21 | 1,361.21 | 0.00 |
| State Uniform Construction Code | 51.45 | 51.45 | 159.98 | 159.98 | 51.45 |
| Subtotal | 45,500.46 | 43,600.46 | 69,526.73 | 103,798.01 | 9,329.18 |
| Other Expenses - Excluded from Caps | | | | | |
| Aid to Privately Owned Library | 429.23 | 429.23 | 208.75 | 304.60 | 333.38 |
| Interlocal Municipal Services Agreements | | | | | |
| Municipal Court | 1,636.23 | 3,536.23 | 1,700.00 | 5,186.74 | 49.49 |
| Subtotal | 2,065.46 | 3,965.46 | 1,908.75 | 5,491.34 | 382.87 |
| Other Accounts - No Change | 14,318.42 | 14,318.42 | | | 14,318.42 |
| Grand Total | <u>\$61,884.34</u> | <u>\$61,884.34</u> | <u>\$71,435.48</u> | <u>\$109,289.35</u> | <u>\$24,030.47</u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2008

| | | |
|---------------------------|-------------|--------------------------|
| Balance December 31, 2007 | | \$15,126.74 |
| Increased by: | | |
| Collected | | <u>7,416.48</u> |
| Subtotal | | 22,543.22 |
| Decreased by: | | |
| Refunded | \$6,850.95 | |
| Applied to 2008 Taxes | 7,845.80 | |
| Cancelled | <u>0.05</u> | <u>14,696.80</u> |
| Balance December 31, 2008 | | <u><u>\$7,846.42</u></u> |

EXHIBIT A-16

Schedule of Prepaid Taxes
 For the Year Ended December 31, 2008

| | | |
|---------------------------|--|---------------------------|
| Balance December 31, 2007 | | \$61,911.50 |
| Increased by: | | |
| Collected | | <u>44,237.09</u> |
| Subtotal | | 106,148.59 |
| Decreased by: | | |
| Applied to 2008 Taxes | | <u>61,911.50</u> |
| Balance December 31, 2008 | | <u><u>\$44,237.09</u></u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Local School Taxes Payable
For the Year Ended December 31, 2008

| | |
|------------------------------------|-----------------------|
| Balance December 31, 2007 | --- |
| Increased by: | |
| Levy: Calendar Year 2008 | <u>\$5,103,124.00</u> |
| Subtotal | 5,103,124.00 |
| Decreased by: | |
| Disbursed to Local School District | <u>5,103,124.00</u> |
| Balance December 31, 2008 | <u>---</u> |

Exhibit A-18

Schedule of County Taxes Payable
For the Year Ended December 31, 2008

| | |
|--------------------------------|---------------------|
| Balance December 31, 2007 | \$8,106.33 |
| Increased by: | |
| 2008 Levy: | |
| General County | \$1,773,951.20 |
| County Library | 127,207.62 |
| County Open Space Preservation | 61,750.84 |
| Added and Omitted Taxes | <u>14,660.37</u> |
| Subtotal | <u>1,977,570.03</u> |
| | 1,985,676.36 |
| Decreased by: | |
| Disbursed to County of Camden | <u>1,971,015.99</u> |
| Balance December 31, 2008 | <u>\$14,660.37</u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Reserve For State Library Aid
 For the Year Ended December 31, 2008

| | |
|-----------------------------|----------|
| Balance December 31, 2007 | \$27.11 |
| Increased by: | |
| Cash Received - State Grant | 324.00 |
| Balance December 31, 2008 | \$351.11 |

Schedule of Reserve For Enhancement To Norcross
 and Second Avenue Parks
 For the Year Ended December 31, 2008

| | |
|------------------------------------|------------|
| Balance December 31, 2007 and 2008 | \$4,760.00 |
| Decreased by: | |
| Expenditures | 4,228.02 |
| Balance December 31, 2008 | \$531.98 |

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Reserve For Purchase of
 Reserve for Sale of Equipment
 For the Year Ended December 31, 2008

| | |
|------------------------------------|--------------------------|
| Balance December 31, 2007 and 2008 | <u><u>\$4,000.00</u></u> |
|------------------------------------|--------------------------|

Schedule of Reserve For Kings Highway Streetscape Program
 For the Year Ended December 31, 2008

| | |
|------------------------------------|---------------------------|
| Balance December 31, 2007 and 2008 | <u><u>\$57,145.50</u></u> |
|------------------------------------|---------------------------|

Schedule of Reserve For Comcast Technology Grant
 For the Year Ended December 31, 2008

| | |
|---------------------------|------------------|
| Balance December 31, 2007 | \$13,000.00 |
| Decreased by: | |
| Expenditures | <u>13,000.00</u> |
| Balance December 31, 2008 | <u><u>-</u></u> |

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Reserve For Codification of Ordinances
For the Year Ended December 31, 2008

| | |
|---------------------------|---------------------------|
| Balance December 31, 2006 | \$25,000.00 |
| Decreased by: | |
| Cash Disbursed | <u>7,928.50</u> |
| Balance December 31, 2007 | <u><u>\$17,071.50</u></u> |

Schedule of Reserve For Revaluation
For the Year Ended December 31, 2008

| | |
|------------------------------------|--------------------------|
| Balance December 31, 2007 and 2008 | <u><u>\$5,000.00</u></u> |
|------------------------------------|--------------------------|

BOROUGH OF MOUNT EPHRAIM
Federal and State Grant Fund
 Schedule of Federal and State Grants Receivable
 For the Year Ended December 31, 2008

| | Balance <u>Dec. 31, 2007</u> | <u>Accrued</u> | <u>Received</u> | Unappropriated Reserves <u>Realized</u> | Balance <u>Dec. 31, 2008</u> |
|--|---------------------------------|---------------------|---------------------|---|---------------------------------|
| State Grants: | | | | | |
| Clean Communities Program | | \$5,628.82 | \$5,628.82 | | |
| Statewide Domestic Preparedness | \$49,304.60 | | | | \$49,304.60 |
| Statewide Liveable Communities | 34,490.00 | | | | 34,490.00 |
| Alcohol Education and Rehab | | 1,285.09 | 1,285.09 | | |
| NJ TTFA Grants | 37,500.00 | | | | 37,500.00 |
| NJ TTFA Grants | | 152,000.00 | 112,033.09 | | 39,966.91 |
| NJ TTFA Grants | | 150,000.00 | 95,394.08 | | 54,605.92 |
| NJ DOT Replacement of Sewer Inlet Grills | 48,000.00 | | 48,000.00 | | |
| NJ DOT Safe Streets to Schools Program | 17,500.00 | | 17,500.00 | | |
| Click-it or Ticket | | 4,000.00 | 4,000.00 | | |
| Recycling Program | | 2,560.73 | 2,560.73 | | |
| Camden County Recycling Rebate | | 3,988.40 | 3,988.40 | | |
| Body Armor Grant | | 2,643.11 | 1,272.65 | \$1,370.46 | |
| DWI Enforcement | | 273.12 | 273.12 | | |
| Federal Grants: | | | | | |
| Community Development Block Grant | | <u>37,000.00</u> | | | <u>37,000.00</u> |
| Total | <u>\$186,794.60</u> | <u>\$359,379.27</u> | <u>\$291,935.98</u> | <u>\$1,370.46</u> | <u>\$252,867.43</u> |

BOROUGH OF MOUNT EPHRAIM
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Unappropriated
 For the Year Ended December 31, 2008

| | <u>Balance</u> <u>Dec. 31, 2007</u> | <u>Federal and</u> <u>State Grant</u> <u>Receivable</u> | <u>Realized</u> <u>as Revenue</u> <u>In 2008</u> | <u>Balance</u> <u>Dec. 31, 2008</u> |
|------------------|--|---|--|--|
| State Grants: | | | | |
| Body Armor Grant | \$1,370.46 | | \$1,370.46 | |
| | \$1,370.46 | | \$1,370.46 | - |
| Total | \$1,370.46 | - | \$1,370.46 | - |

BOROUGH OF MOUNT EPHRAIM
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Appropriated
 For the Year Ended December 31, 2008

| | Balance Dec. 31, 2007 | Transferred From 2008 Budget | Canceled | Paid | Balance Dec. 31, 2008 |
|--|--------------------------|------------------------------------|-----------------|---------------------|--------------------------|
| State Grants: | | | | | |
| Drunk Driving Enforcement Fund | \$5,639.26 | \$273.12 | | \$1,324.80 | \$4,587.58 |
| Recycling Grant | 11,357.25 | 2,560.73 | | 13,533.86 | 384.12 |
| Alcohol Education & Rehab. Program | 6,675.78 | 1,285.09 | | 1,550.00 | 6,410.87 |
| Body Armor Grant | | 2,643.11 | | 2,022.21 | 620.80 |
| Clean Communities | 11,588.42 | 5,628.82 | | 552.58 | 16,664.66 |
| Camden County Recycling Rebate | | 3,988.40 | | | 3,988.40 |
| Click-it or Ticket | | 4,000.00 | | 3,800.00 | 200.00 |
| Statewide Liveable Communities | 30,361.83 | | \$379.06 | 6,277.65 | 24,463.24 |
| NJ Transportation Trust - Green Avenue | 150,000.00 | | | 97,094.95 | 52,905.05 |
| NJ Transportation Trust - 3rd Avenue | | 152,000.00 | | 149,791.50 | 2,208.50 |
| NJ Transportation Trust - 5th Avenue | | 150,000.00 | | 130,513.29 | 19,486.71 |
| Municipal Stormwater Grant | 6,073.71 | | | | 6,073.71 |
| Statewide Domestic Preparedness Grant | 67.81 | | | | 67.81 |
| Federal Grants: | | | | | |
| Community Development Block Grant | | 37,000.00 | | 37,000.00 | |
| Total | <u>\$221,764.06</u> | <u>\$359,379.27</u> | <u>\$379.06</u> | <u>\$443,460.84</u> | <u>\$138,061.55</u> |
| | | Cash Disbursed | | \$437,417.07 | |
| | | Encumbrances Payable | | 6,043.77 | |
| | | Total | | <u>\$443,460.84</u> | |

TRUST FUND

BOROUGH OF MOUNT EPHRAIM
Trust Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2008

| | Animal Control | Total Other Trust Funds | Unemployment Trust | Off-Duty Police | Public Defender | POAA | COAH | Developer's Escrow | Tax Title Lien Redemption | Forfeited Funds |
|-----------------------------------|-------------------|-------------------------------|-----------------------|--------------------|--------------------|----------------|-----------------|-----------------------|------------------------------|--------------------|
| Balance December 31, 2007 | <u>\$213.10</u> | <u>\$104,924.00</u> | <u>\$11,131.27</u> | <u>\$8,679.94</u> | <u>\$1,868.93</u> | <u>\$41.77</u> | <u>\$592.71</u> | <u>\$26,870.74</u> | <u>\$51,198.14</u> | <u>\$4,540.50</u> |
| Receipts: | | | | | | | | | | |
| Dog License Fees: | | | | | | | | | | |
| Municipal Licenses | 6,610.20 | | | | | | | | | |
| State Registration Fees | 709.80 | | | | | | | | | |
| Current Fund - | | | | | | | | | | |
| Budget Appropriation | 2,944.91 | | | | | | | | | |
| Due to Current Fund | | 737.80 | | 556.79 | 179.77 | 1.24 | | | | |
| Unemployment Compensation | | 20,850.26 | 20,850.26 | | | | | | | |
| Off-Duty Police Fees | | 103,543.30 | | 103,543.30 | | | | | | |
| Public Defender Fees | | 6,513.94 | | | 6,513.94 | | | | | |
| POAA Fees | | | | | | | | | | |
| Affordable Housing (COAA) | | | | | | | | | | |
| Tax Title Lien Redemptions | | 97,959.21 | | | | | | | 97,959.21 | |
| Developer's Escrow | | 96,758.85 | | | | | | 96,758.85 | | |
| Forfeited Funds | | | | | | | | | | |
| Interest Earned | 63.59 | 1,982.15 | 266.83 | | | | 9.46 | 164.53 | 1,406.66 | 134.67 |
| Contra | 1,000.00 | | | | | | | | | |
| Total Receipts | <u>11,328.50</u> | <u>328,345.51</u> | <u>21,117.09</u> | <u>104,100.09</u> | <u>6,693.71</u> | <u>1.24</u> | <u>9.46</u> | <u>96,923.38</u> | <u>99,365.87</u> | <u>134.67</u> |
| Disbursements: | | | | | | | | | | |
| Expenditures Under RS4:19-15.11 | 8,421.28 | | | | | | | | | |
| Dog Fund - Licenses | 689.40 | | | | | | | | | |
| State Registration Fees | | | | | | | | | | |
| Unemployment | | 31,356.29 | 31,356.29 | | | | | | | |
| Off-Duty Police | | 99,146.15 | | 99,146.15 | | | | | | |
| Public Defender | | | | | | | | | | |
| Developer's Escrow | | 97,247.57 | | | | | | 97,247.57 | | |
| Tax Title Lien Redemptions | | 100,888.29 | | | | | | | 100,888.29 | |
| Forfeited Funds (Law Enforcement) | | | | | | | | | | |
| Due to Current Fund | | 1,831.44 | | | | 1.77 | | 703.11 | 1,126.56 | |
| Contra | 1,000.00 | | | | | | | | | |
| Total Disbursements | <u>10,110.68</u> | <u>330,469.74</u> | <u>31,356.29</u> | <u>99,146.15</u> | <u>-</u> | <u>1.77</u> | <u>-</u> | <u>97,950.68</u> | <u>102,014.85</u> | <u>0.00</u> |
| Balance December 31, 2008 | <u>\$1,430.92</u> | <u>\$102,799.77</u> | <u>\$892.07</u> | <u>\$13,633.88</u> | <u>\$8,562.64</u> | <u>\$41.24</u> | <u>\$602.17</u> | <u>\$25,843.44</u> | <u>\$48,549.16</u> | <u>\$4,675.17</u> |

BOROUGH OF MOUNT EPHRAIM
Trust Fund
 Schedule of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2008

| | |
|-------------------------------------|----------------------------|
| <hr/> | |
| Balance December 31, 2007 | (\$2,944.91) |
| Increased by: | |
| 2008 Dog License Fees Collected | \$3,775.20 |
| Late Fees | 2,835.00 |
| Current Fund - Budget Appropriation | 2,944.91 |
| Miscellaneous Revenue | <u>86.99</u> |
| Total | <u>9,642.10</u> |
| Decreased by: | |
| Expenditures Under R.S. 4:19-15.11: | |
| Cash disbursed | <u>8,421.28</u> |
| Balance (Deficit) December 31, 2008 | <u><u>(\$1,724.09)</u></u> |

LICENSE FEES COLLECTED

| <u>Year</u> | <u>Amount</u> |
|-------------|--------------------------|
| 2006 | \$3,740.00 |
| 2007 | <u>2,619.60</u> |
| | <u><u>\$6,359.60</u></u> |

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for Unemployment Compensation
For the Year Ended December 31, 2008

| | | |
|-------------------------------------|---------------|--------------------------|
| Balance December 31, 2007 | | \$ 11,131.27 |
| Increased by: | | |
| Employee Withholdings | 2,715.75 | |
| Refund of Prior Year Expenditures | 12,700.94 | |
| Current Fund - Budget Appropriation | 2,000.00 | |
| Due from Interlocal Agreement | 4,177.21 | |
| Interest Earned | <u>266.83</u> | <u>21,860.73</u> |
| Subtotal | | 32,992.00 |
| Decreased by: | | |
| Claims Paid | | <u>31,356.29</u> |
| Balance December 31, 2008 | | <u><u>\$1,635.71</u></u> |

Schedule of Reserve for Escrow Trust Fund
For the Year Ended December 31, 2008

| | | |
|--------------------------------|-----------------|---------------------------|
| Balance December 31, 2007 | | \$25,726.88 |
| Increased by: | | |
| Escrow Deposits | \$95,732.93 | |
| Interest Earned on Investments | <u>1,025.92</u> | <u>96,758.85</u> |
| Decreased by: | | |
| Disbursements | | <u>97,247.57</u> |
| Balance December 31, 2008 | | <u><u>\$25,238.16</u></u> |

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

Statement of Reserve for Law Enforcement - Forfeited Funds
For the Year Ended December 31, 2008

| | |
|--------------------------------|--------------------------|
| Balance December 31, 2007 | \$4,540.50 |
| Increased by: | |
| Interest Earned on Investments | <u>134.67</u> |
| Balance December 31, 2008 | <u><u>\$4,675.17</u></u> |

EXHIBIT B-6

Schedule of Deposits for Redemption of Tax Sale Certificates
For the Year Ended December 31, 2008

| | |
|--|---------------------------|
| Balance December 31, 2007 | \$50,071.58 |
| Increased by: | |
| Deposits Received | <u>98,227.63</u> |
| | 148,299.21 |
| Decreased by: | |
| Refunds - Tax Sale Certificates Redeemed | <u>100,888.29</u> |
| Balance December 31, 2008 | <u><u>\$47,410.92</u></u> |

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for Off Duty Police
For the Year Ended December 31, 2008

| | | |
|---------------------------|-------------|-------------|
| Balance December 31, 2007 | | \$2,158.04 |
| Increased by: | | |
| Cash Receipts | \$97,571.82 | |
| Due from Contractors | 1,402.04 | \$98,973.86 |
| Subtotal | | 101,131.90 |
| Decreased by: | | |
| Cash Disbursements | 83,884.69 | |
| Due to Current | 16,435.61 | 100,320.30 |
| Balance December 31, 2008 | | \$811.60 |

Statement of Reserve for Public Defender Fees
For the Year Ended December 31, 2008

| | | |
|---------------------------------------|------------|------------|
| Balance December 31, 2007 | | \$1,723.62 |
| Increased by: | | |
| Cash Receipts | \$6,513.94 | |
| Liquidation of Interfund Payable | 145.31 | 6,659.25 |
| Subtotal | | 8,382.87 |
| Decreased by: | | |
| Due to Oaklyn Borough Municipal Count | | 8,348.00 |
| Balance December 31, 2008 | | \$34.87 |

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for POAA Fees
For the Year Ended December 31, 2008

| | |
|------------------------------------|-----------------------|
| Balance December 31, 2007 and 2008 | <u><u>\$40.00</u></u> |
|------------------------------------|-----------------------|

Statement of Reserve for COAH Fees
For the Year Ended December 31, 2008

| | |
|---------------------------|------------------------|
| Balance December 31, 2007 | \$592.71 |
| Increased by: | |
| Cash Receipts | <u>9.46</u> |
| Subtotal | 602.17 |
| Decreased by: | |
| Disbursements | <u>-</u> |
| Balance December 31, 2008 | <u><u>\$602.17</u></u> |

GENERAL CAPITAL FUND

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2008

| | | |
|----------------------------------|-------------------|-----------------------------------|
| Balance December 31, 2007 | | \$69,846.03 |
| Receipts: | | |
| Budget Appropriation - | | |
| Capital Improvement Fund | \$100.00 | |
| Bond Anticipation Notes | 1,419,405.00 | |
| Due to Current Fund | <u>30,263.76</u> | |
| Total Receipts | | <u>1,449,768.76</u> |
| Subtotal | | 1,519,614.79 |
| Disbursements: | | |
| Improvement Authorizations | \$289,848.79 | |
| Bond Anticipation Notes | 745,000.00 | |
| Due to Current Fund | <u>227,076.42</u> | <u>1,261,925.21</u> |
| Balance December 31, 2008 | | <u><u>\$257,689.58</u></u> |

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2008

| | |
|--|--------------|
| Capital Improvement Fund | \$16,035.00 |
| Due To Current Fund | 6,283.89 |
| Due from Camden County Improvement Authority | (2,909.65) |
| | |
| Improvement Authorizations: | |
| Ordinance Number | |
| 697-2002 | 1,181.77 |
| 772-2006 | 2,512.04 |
| 15-2007 | 687.43 |
| | 18,145.33 |
| | 3,499.49 |
| 1-2008 | (32,714.17) |
| 11-2008 | 85,282.51 |
| | 6,751.41 |
| 12-2008 | 10,500.00 |
| | 50,485.06 |
| 13-2008 | 50,567.85 |
| | 26,680.00 |
| | 14,701.62 |
| Total | \$257,689.58 |

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2008

| | |
|---|-------------------|
| Balance December 31, 2007 | \$110,000.00 |
| Decreased By: | |
| Budget Appropriations to Pay Serial Bonds | <u>110,000.00</u> |
| Balance December 31, 2008 | <u><u>-</u></u> |

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2008

| Ordinance Number | Improvement Description | Balance Dec. 31, 2007 | 2008 Authorizations | Funded By Budget Appropriation | Balance Dec. 31, 2008 | ANALYSIS OF BALANCE | | |
|---------------------|---|--------------------------|------------------------|---|--------------------------|--|--------------------|---|
| | | | | | | Funded by Bond Anticipation Notes | Expenditures | Unexpended Improvement Authorizations |
| 677 | Multi-Purpose | \$38,000.00 | | \$38,000.00 | | | | |
| 772-06 | Acquisition of Loader/Backhoe, Street Sweeper and Sports Utility Vehicle | 256,500.00 | | 26,500.00 | \$230,000.00 | 230,000.00 | | |
| 15-07 | Various Improvements | 285,000.00 | | | 285,000.00 | 285,000.00 | | |
| 1-08 | Fire Station Project | | \$3,000,000.00 | | 3,000,000.00 | | \$53,058.77 | \$2,946,941.23 |
| 11-08 | Various Road and Related Improvements | | 204,250.00 | | 204,250.00 | 204,250.00 | | |
| 12-08 | Sewer Utility Equipment and Improvements | | 59,375.00 | | 59,375.00 | 59,375.00 | | |
| 13-08 | Acquisition of Vehicles and Equipment | | 125,780.00 | | 125,780.00 | 125,780.00 | | |
| | Total | <u>\$579,500.00</u> | <u>\$3,389,405.00</u> | <u>\$64,500.00</u> | <u>\$3,904,405.00</u> | <u>\$904,405.00</u> | <u>\$53,058.77</u> | <u>\$2,946,941.23</u> |
| | | | | Improvement Authorizations Unfunded | | | | \$3,175,310.22 |
| | | | | Less Unexpended Proceeds of Bond Anticipation Notes Issued: | | | | |
| | | | | Ord. 772-06 | | \$2,512.04 | | |
| | | | | Ord. 15-2007 | | 13,728.50 | | |
| | | | | Ord. 11-2008 | | 92,033.92 | | |
| | | | | Ord. 12-2008 | | 54,825.06 | | |
| | | | | Ord. 13-2008 | | 65,269.47 | | 228,368.99 |
| | | | | | | | | <u>\$2,946,941.23</u> |

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Capital Improvement Fund
 For the Year Ended December 31, 2008

| | |
|--|---------------------------|
| Balance December 31, 2007 | \$36,430.00 |
| Increased by: | |
| 2008 Budget Appropriation | <u>100.00</u> |
| Subtotal | 36,530.00 |
| Decreased by: | |
| Appropriated to Finance Improvement Authorizations | <u>20,495.00</u> |
| Balance December 31, 2008 | <u><u>\$16,035.00</u></u> |

Schedule of Encumbrances Payable
 For the Year Ended December 31, 2008

| | |
|---------------------------|---------------------------|
| Balance December 31, 2007 | - |
| Increased by: | |
| Current Year Encumbrances | <u>\$73,051.70</u> |
| Balance December 31, 2008 | <u><u>\$73,051.70</u></u> |

**BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Schedule of Improvement Authorizations
For the Year Ended December 31, 2008**

| Ordinance Number | Improvement Description | Date | Ordinance | | Balance December 31, 2007 | | 2008 AUTHORIZATIONS | | Paid or Charged | Balance December 31, 2008 | |
|------------------|---|----------|--------------|--------|---------------------------|---------------------|--------------------------|--|---------------------|---------------------------|-----------------------|
| | | | Date | Amount | Funded | Unfunded | Capital Improvement Fund | Deferred Charges To Future Taxation - Unfunded | | Funded | Unfunded |
| | | | | | | | | | | | |
| 697-2002 | Reappropriation of Ordinance for Purchase of Computers, Computer Software, and General Office Equipment | 06/13/02 | \$11,478.77 | | \$1,181.77 | | | | | \$1,181.77 | |
| 772-2006 | Acquisition of Loader/Backhoe, Street Sweeper and Sports Utility Vehicle | 12/19/06 | 270,000.00 | | | \$5,575.07 | | | \$3,063.03 | | \$2,512.04 |
| 15-2007 | Various Improvements: | | | | | | | | | | |
| | Computer and Office Equipment | 12/06/07 | 16,000.00 | | | 3,001.33 | | | 2,952.65 | | 48.68 |
| | Reconstruction of Sewer Lines | 12/06/07 | 75,000.00 | | | 32,304.58 | | | 22,124.25 | | 10,180.33 |
| | Reconstruction of Various Roads | 12/06/07 | 209,000.00 | | | 76,166.38 | | | 72,666.89 | | 3,499.49 |
| 1-2008 | Fire Station Project | 03/06/08 | 3,000,000.00 | | | | | \$3,000,000.00 | 53,058.77 | | 2,946,941.23 |
| 11-2008 | Various Improvements: | | | | | | | | | | |
| | Reconstruction and Restoration of Various Roads | 09/04/08 | 188,700.00 | | | | \$9,435.00 | 179,265.00 | 127,395.27 | | 61,304.73 |
| | Installation of handicap Ramps | 09/04/08 | 26,300.00 | | | | 1,315.00 | 24,985.00 | 20,297.69 | | 6,002.31 |
| 12-2008 | Various Improvements: | | | | | | | | | | |
| | Acquisition of Specialty Tools and Equipment | 09/04/08 | 10,500.00 | | | | 525.00 | 9,975.00 | 6,349.94 | | 4,150.06 |
| | Reconstruction and Replacement of sewer Lines | 09/04/08 | 52,000.00 | | | | 2,600.00 | 49,400.00 | 1,325.00 | | 50,675.00 |
| 13-2008 | Various Improvements: | | | | | | | | | | |
| | Acquisition of Sport Utility Vehicle | 09/04/08 | 53,100.00 | | | | 2,655.00 | 50,445.00 | 2,900.00 | | 50,200.00 |
| | Acquisition of Various Fire Equipment | 09/04/08 | 37,500.00 | | | | 1,875.00 | 35,625.00 | 37,316.00 | | 184.00 |
| | Acquisition of Various Public Works Equipment | 09/04/08 | 41,800.00 | | | | 2,090.00 | 39,710.00 | 26,914.53 | | 14,885.47 |
| | Total | | | | <u>\$1,181.77</u> | <u>\$117,047.36</u> | <u>\$20,495.00</u> | <u>\$3,389,405.00</u> | <u>\$376,364.02</u> | <u>\$1,181.77</u> | <u>\$3,150,583.34</u> |
| | Encumbrances payable | | | | | | | | \$73,051.70 | | |
| | Interfund Payable | | | | | | | | 13,463.53 | | |
| | Cash Disbursed | | | | | | | | <u>289,848.79</u> | | |
| | Total | | | | | | | | <u>\$376,364.02</u> | | |

Borough of Mount Ephraim
 General Capital Fund
 Statement of General Serial Bonds
 For the Year Ended December 31, 2008

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Maturities of Bonds Outstanding December 31, 2008</u> | | <u>Interest Rate</u> | <u>Balance Dec. 31, 2007</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance Dec. 31, 2008</u> |
|----------------------------------|----------------------|-----------------------|--|---------------|----------------------|------------------------------|------------------|---------------------|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | | |
| General Improvement Bonds - 1994 | 05/01/94 | \$1,190,000.00 | | | | <u>\$110,000.00</u> | <u>—</u> | <u>\$110,000.00</u> | <u>—</u> |

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2008

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Date of Issue of Original Note</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance Dec. 31, 2007</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance Dec. 31, 2008</u> |
|-------------------------|--|---------------------------------------|----------------------|-------------------------|------------------------------|------------------------------|-----------------------|---------------------|------------------------------|
| 677 | Multi-Purpose | 11/04/99 | 10/30/07 | 10/29/08 | 3.70% | \$38,000.00 | | \$38,000.00 | |
| 772 | Purchase of Equipment | 1/8/2007 | 1/8/2007 | 1/8/2008 | 3.88% | 256,500.00 | | 256,500.00 | |
| 772 | Purchase of Equipment | 1/8/2007 | 1/8/2008 | 10/28/2008 | 3.40% | | \$230,000.00 | 230,000.00 | |
| 772 | Purchase of Equipment | 1/8/2007 | 10/28/2008 | 10/27/2009 | 3.13% | | 230,000.00 | | \$230,000.00 |
| 15-2007 | Various Improvements | 1/8/2008 | 1/8/2008 | 10/28/2008 | 3.40% | | 285,000.00 | 285,000.00 | |
| 15-2007 | Various Improvements | 1/8/2008 | 10/28/2008 | 10/27/2009 | 3.13% | | 285,000.00 | | 285,000.00 |
| 11-2008 | Various Road and Related Improvements | 10/28/2008 | 10/28/2008 | 10/27/2009 | 3.13% | | 204,250.00 | | 204,250.00 |
| 12-2008 | Sewer Utility Equipment and Improvements | 10/28/2008 | 10/28/2008 | 10/27/2009 | 3.13% | | 59,375.00 | | 59,375.00 |
| 13-2008 | Acquisition of Vehicles and Equipment | 10/28/2008 | 10/28/2008 | 10/27/2009 | 3.13% | | 125,780.00 | | 125,780.00 |
| | | | | | | <u>\$294,500.00</u> | <u>\$1,419,405.00</u> | <u>\$809,500.00</u> | <u>\$904,405.00</u> |
| | | | | | Issued for cash | | \$674,405.00 | | |
| | | | | | Paid by Budget Appropriation | | | \$64,500.00 | |
| | | | | | Renewals | | 745,000.00 | 745,000.00 | |
| | | | | | Total | | <u>\$1,419,405.00</u> | <u>\$809,500.00</u> | |

BOROUGH OF MOUNT EPHRAIM
 General Capital Fund
 Statement of Obligations Under Capital lease
 For the Year Ended December 31, 2008

| <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, 2007</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance Dec. 31, 2008</u> |
|------------------------------|----------------------|-----------------------|--|---------------|----------------------|------------------------------|------------------|--------------------|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | | |
| Various Capital Improvements | 12/21/05 | \$725,000.00 | 11/15/09 | \$26,000.00 | 3.20% - 4.62% | <u>\$676,000.00</u> | <u>—</u> | <u>\$25,000.00</u> | <u>\$651,000.00</u> |
| | | | 11/15/10 | 28,000.00 | | | | | |
| | | | 11/15/11 | 29,000.00 | | | | | |
| | | | 11/15/12 | 29,000.00 | | | | | |
| | | | 11/15/13 | 31,000.00 | | | | | |
| | | | 11/15/14 | 33,000.00 | | | | | |
| | | | 11/15/15 | 34,000.00 | | | | | |
| | | | 11/15/16 | 36,000.00 | | | | | |
| | | | 11/15/17 | 38,000.00 | | | | | |
| | | | 11/15/18 | 39,000.00 | | | | | |
| | | | 11/15/19 | 41,000.00 | | | | | |
| | | | 11/15/20 | 42,000.00 | | | | | |
| | | | 11/15/21 | 44,000.00 | | | | | |
| | | | 11/15/22 | 47,000.00 | | | | | |
| | | | 11/15/23 | 49,000.00 | | | | | |
| | | | 11/15/24 | 51,000.00 | | | | | |
| | | | 11/15/25 | 54,000.00 | | | | | |

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2008

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance Dec. 31, 2007</u> | <u>2008 Authorizations</u> | <u>Bond Anticipation Notes Issued</u> | <u>Balance Dec. 31, 2008</u> |
|-------------------------|---|----------------------------------|--------------------------------|---|----------------------------------|
| 15-2007 | Improvements to Sewer System and Various Roadway Improvements | \$285,000.00 | | \$285,000.00 | |
| 1-2008 | Fire Station Project | | \$3,000,000.00 | | \$3,000,000.00 |
| 11-2008 | Various Road and Related Improvements | | 204,250.00 | 204,250.00 | |
| 12-2008 | Sewer Utility Equipment and Improvements | | 59,375.00 | 59,375.00 | |
| 13-2008 | Acquisition of Vehicles and Equipment | | 125,780.00 | 125,780.00 | |
| | Total | <u>\$285,000.00</u> | <u>\$3,389,405.00</u> | <u>\$674,405.00</u> | <u>\$3,000,000.00</u> |

WATER UTILITY FUND

BOROUGH OF MOUNT EPHRAIM
Water Utility Operating Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2008

| <u>OPERATING</u> | |
|------------------------------|--------------|
| Balance December 31, 2007 | \$258,136.39 |
| Receipts: | |
| Consumer Accounts Receivable | \$38,952.25 |
| Miscellaneous Revenue | 8,957.40 |
| Due from Current Fund | 100,300.00 |
| Water Rent Overpayments | _____ |
| Total Receipts | 148,209.65 |
| Subtotal | 406,346.04 |
| Disbursements: | |
| Encumbrances Payable | 29,138.08 |
| Appropriation Reserves | 68.84 |
| Budget Appropriation: | |
| Water Operating Surplus | 130,000.00 |
| Due from Current Fund | 100,000.00 |
| Total Disbursements | 259,206.92 |
| Balance December 31, 2008 | \$147,139.12 |

BOROUGH OF MOUNT EPHRAIM
Water Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2008

| | | |
|---------------------------|---------------|-----------------------------|
| Balance December 31, 2007 | | \$44,751.97 |
| Increased by: | | |
| 2008 Billing | | <u> </u> |
| Total | | 44,751.97 |
| Decreased by: | | |
| Collections | \$38,952.25 | |
| Cancelled | <u>146.86</u> | <u>39,099.11</u> |
| Balance December 31, 2008 | | <u><u>\$5,652.86</u></u> |

BOROUGH OF MOUNT EPHRAIM
Water Utility Operating Fund
Statement of 2007 Appropriation Reserves
For the Year Ended December 31, 2008

| | <u>Balance</u> <u>Dec. 31, 2007</u> | <u>Balance</u> <u>After</u> <u>Transfers</u> | <u>Paid or</u> <u>Charged</u> | <u>Balance</u> <u>Lapsed</u> |
|----------------------|--|--|----------------------------------|---------------------------------|
| Operating: | | | | |
| Salaries and Wages | \$6,775.08 | \$6,775.08 | | \$6,775.08 |
| Other Expenses | 15,992.56 | 15,992.56 | \$68.84 | 15,923.72 |
| Social Security | <u>1,001.69</u> | <u>1,001.69</u> | | <u>1,001.69</u> |
| Total | <u>\$23,769.33</u> | <u>\$23,769.33</u> | <u>\$68.84</u> | <u>\$23,700.49</u> |
| Paid or Charged: | | | | |
| Cash Disbursed | | | <u>\$68.84</u> | |

BOROUGH OF MOUNT EPHRAIM

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2008

BOROUGH OF MOUNT EPHRAIM
Schedule of Findings and Recommendations
For the Year Ended December 31, 2008

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 2008-1

The awarded bid for the 5th Avenue road improvements was not available for examination.

Recommendation:

That all bids be available for examination.

**BOROUGH OF MOUNT EPHRAIM
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2008**

**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 2007-1

A fixed asset register was not maintained as required by N.J.A.C. 5:30-5.6.

Current Status:

Corrective action has been implemented.

Finding 2007-2

The proof of publication was not available for one bid item.

Current Status:

Corrective action has been implemented.

Finding 2007-3

Dedication by Riders were not obtained for the POAA Trust and Public Defender as required by NJS 40A:4-39.

Current Status:

Corrective action has been implemented.

FEDERAL AWARDS

A Federal Single Audit was not required.

STATE AWARDS

A State Single Audit was not required.

BOROUGH OF MOUNT EPHRAIM
OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>Name</u> | <u>Title</u> | <u>Amount of Coverage</u> | <u>Name Of Surety</u> |
|--------------------|----------------------------|--|--------------------------------------|
| Joseph Wolk | Mayor | | |
| Andrew Gilmore | Commissioner | | |
| Bruce Greenwald | Commissioner | | |
| Richard Schwab | Acting Borough Clerk | \$1,000,000.00 | (A) |
| Dean Ciminera | Chief Financial Officer | \$1,000,000.00 | (A) |
| Marie Darlington | Tax Collector | \$1,000,000.00 | (A) |
| Ethel Hartman | Water Clerk | \$1,000,000.00 | (A) |
| Tara Martin | Construction Clerk | \$1,000,000.00 | (A) |
| Steven R. Beach | Construction Code Official | \$1,000,000.00 | (A) |
| Steve Kessler | Tax Assessor | \$1,000,000.00 | (A) |

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

ACKNOWLEDGMENT

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

Respectfully submitted,

INVERSO & STEWART, LLC

A handwritten signature in black ink, appearing to read 'R. Inverso', is positioned above the printed name.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

March 11, 2009