

BOROUGH OF MOUNT EPHRAIM
County of Camden

Report of Audit of Financial Statements

For the Year Ended December 31, 2022

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, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Commission
Borough of Mount Ephraim
County of Camden
Mount Ephraim, New Jersey 08059

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Mount Ephraim, ("Borough"), County of Camden, State of New Jersey, as of December 31, 2022 and 2021 and the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues-regulatory basis, statement of expenditures - regulatory basis, and the statement of general fixed asset account group for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In my opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough as of December 31, 2022 and 2021 and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2022, in conformity with accounting principles and practices prescribed by the Division of Local Government Services ("Division"), Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In my opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of my report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough as of December 31, 2022 and 2021, or the results of its operations and the changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of my report. I am required to be independent of the Borough and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet with the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements - regulatory basis as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division and are not a part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying supplemental statements and schedules, and schedules of expenditures of federal and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated July 31, 2023, on my consideration of the Borough's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
July 31, 2023

INVERSO & STEWART, LLC

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Commission
Borough of Mount Ephraim
County of Camden
Mount Ephraim, New Jersey 08059

I have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Division of Local Government Services ("Division"), Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division, of the Borough of Mount Ephraim ("Borough"), in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued my report thereon dated July 31, 2023. That report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
July 31, 2023

BOROUGH OF MOUNT EPHRAIM
Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2022 and 2021

	<u>REFERENCE</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 2,957,938.57	\$ 3,095,351.83
Cash - Change Fund	A-5	<u>200.00</u>	<u>200.00</u>
Total		<u>2,958,138.57</u>	<u>3,095,551.83</u>
Due State of New Jersey -			
Veterans and Senior Citizens Deductions	A-6	<u>-</u>	<u>-</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	204,326.89	149,515.39
Tax Title Liens Receivable	A-8	226,279.68	203,151.30
Property Acquired for Taxes - Assessed Valuation	A-9	9,400.00	9,400.00
Revenue Accounts Receivable	A-10	2,349.27	4,000.83
Due from School District			798.00
Due from Federal and State Grant Fund	A	84,939.03	84,939.03
Due from Animal Control Fund	B	3,000.00	3,000.00
Due from Trust - Other Fund	B	48,439.11	63,183.19
Due from General Capital Fund	C	<u>46.87</u>	<u>46.87</u>
Total		<u>578,780.85</u>	<u>518,034.61</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-53)	A-11	<u>7,000.00</u>	<u>14,000.00</u>
Total Regular Fund		<u>3,543,919.42</u>	<u>3,627,586.44</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	852,902.47	682,776.87
Federal and State Grants Receivable	A-23	468,757.26	1,278,644.26
Due from Current Fund	A	<u>30,290.86</u>	<u>30,290.86</u>
Total Federal and State Grant Fund		<u>1,351,950.59</u>	<u>1,991,711.99</u>
Total Assets		<u>\$ 4,895,870.01</u>	<u>\$ 5,619,298.43</u>

Continued

BOROUGH OF MOUNT EPHRAIM
Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2022 and 2021

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2022</u>	<u>2021</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 425,680.21	\$ 514,661.67
Encumbrances Payable	A-3	31,293.69	72,678.68
Tax Overpayments	A-13	17,816.78	26,143.55
Prepaid Taxes	A-14	71,978.02	95,268.54
Local School Taxes Payable	A-15	-	-
Due County for Added and Omitted Taxes	A-16	8,520.20	4,188.84
Sewer Rent Overpayments			453.22
Due State of New Jersey:			
Veterans and Senior Citizens Deductions	A-6	288.03	1,119.53
Marriage License Fees	A-18	-	125.00
UCC Fees	A-19	1,177.00	906.00
Reserve for Municipal Relief Find Aid		21,580.40	
Reserve for Revaluation	A-20	4,824.61	4,824.61
Reserve for Codification of Ordinances	A-21	3,770.62	3,770.62
Reserve for Master Plan	A-22	5,386.50	5,386.50
Due to Federal and State Grant Fund	A	30,290.86	30,290.86
Due to Other Trust Fund	B	59,108.97	59,108.97
Due to General Capital Fund	C	<u>1,268,292.15</u>	<u>1,265,311.92</u>
 Total Liabilities		 1,950,008.04	 2,084,238.51
 Reserve for Receivables and Other Assets	 A	 578,780.85	 518,034.61
Fund Balance	A-1	<u>1,015,130.53</u>	<u>1,025,313.32</u>
 Total Regular Fund		 <u>3,543,919.42</u>	 <u>3,627,586.44</u>
Federal and State Grant Fund:			
Encumbrances Payable	A-25	1,599.68	28,383.57
Due to Current Fund	A	84,939.03	84,939.03
Due to General Capital Fund	C	428,440.94	428,440.94
Unappropriated Reserves	A-24	2,170.39	240,057.33
Appropriated Reserves	A-25	<u>834,800.55</u>	<u>1,209,891.12</u>
 Total Federal and State Grant Fund		 <u>1,351,950.59</u>	 <u>1,991,711.99</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 4,895,870.01</u>	 <u>\$ 5,619,298.43</u>

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

BOROUGH OF MOUNT EPHRAIM
Current Fund

Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 750,000.00	\$ 750,000.00
Miscellaneous Revenue Anticipated	2,040,034.65	1,523,512.68
Receipts from Delinquent Taxes	142,717.07	157,765.92
Receipts from Current Taxes	13,767,304.37	13,394,470.91
Nonbudget Revenues	129,996.75	211,602.98
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	471,590.76	439,172.65
Liquidation of Interfunds and Other Reserves	798.00	-
Cancellation of Sewer Overpayments	453.22	-
	<u>17,302,894.82</u>	<u>16,476,525.14</u>
Total Revenue and Other Income Realized		
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	2,405,425.00	2,369,805.00
Other Expenses	2,282,391.00	2,305,647.00
Deferred Charges and Statutory Expenditures Within "CAPS"	543,825.00	524,596.00
Operations Excluded from "CAPS":		
Salaries and Wages	51,000.00	37,200.00
Other Expenses	856,408.89	383,580.61
Capital Improvements Excluded from "CAPS"	50,000.00	68,000.00
Municipal Debt Service Excluded from "CAPS"	811,949.16	605,064.04
Deferred Charges and Statutory Expenditures Excluded from "CAPS"	7,000.00	7,000.00
County Taxes	2,571,160.36	2,510,822.92
Due County for Added Taxes	8,520.20	4,188.84
Local School District Tax	6,975,398.00	6,909,268.00
Interfunds Created		34,261.00
Prior Year Senior Citizens Deductions Disallowed		
	<u>16,563,077.61</u>	<u>15,759,433.41</u>
Subtotal		
Less: Expenditures to be Raised by Future Taxes	<u>-</u>	<u>-</u>
Total Expenditures	<u>16,563,077.61</u>	<u>15,759,433.41</u>
Statutory Excess to Fund Balance (Carried Forward)	739,817.21	717,091.73

BOROUGH OF MOUNT EPHRAIM
Current Fund

Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Statutory Excess to Fund Balance (Brought Forward)	\$ 739,817.21	\$ 717,091.73
Fund Balance January 1	<u>1,025,313.32</u>	<u>\$ 1,058,221.59</u>
Total	1,765,130.53	1,775,313.32
Decreased by Utilization as Anticipated Revenue	<u>750,000.00</u>	<u>750,000.00</u>
Fund Balance December 31	<u><u>\$ 1,015,130.53</u></u>	<u><u>\$ 1,025,313.32</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, 2022

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 750,000.00	\$ -	\$ 750,000.00	\$ -
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	1,800.00		4,858.00	3,058.00
Other	9,000.00		4,226.68	(4,773.32)
Fees and Permits	22,000.00		33,830.98	11,830.98
Fines and Costs:				
Municipal Court	84,000.00		60,833.93	(23,166.07)
Interest and Costs on Taxes	37,000.00		33,308.74	(3,691.26)
Sewer Rents				
Cable TV Franchise Fees	63,000.00		61,483.55	(1,516.45)
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	413,704.00		413,704.00	-
Uniform Construction Code	43,000.00		57,023.00	14,023.00
Shared Service Agreement				-
Borough of Runnemede				-
Trash Collection	59,000.00		51,062.58	(7,937.42)
Borough of Brooklawn and Merchantville				-
Construction Code	12,000.00		8,286.30	(3,713.70)
Reserve for Debt Service	342,000.00		342,000.00	-
Billboard Lease	80,100.00		85,003.00	4,903.00
Firehouse Lease	2,400.00		2,400.00	-
American Rescue Plan	80,000.00		80,000.00	-
Off-Duty Police Administrative Fees	14,800.00		16,000.00	1,200.00
Special Items Offset with Appropriations:				
New Jersey Department of Transportation Grant	230,000.00		230,000.00	-
Recycling Tonnage Grant	6,208.86		6,208.86	-
American Rescue Plan	160,057.33		160,057.33	-
American Rescue Plan	240,057.33		240,057.33	-
New Jersey Department of Transportation Grant		115,000.00	115,000.00	-
Clean Communities Program		9,690.37	9,690.37	-
County Open Space Grant		25,000.00	25,000.00	-
Total	<u>1,900,127.52</u>	<u>149,690.37</u>	<u>2,040,034.65</u>	<u>(9,783.24)</u>
Receipts from Delinquent Taxes	150,800.00		142,717.07	(8,082.93)
Amount to be Raised by Taxes for Support of Municipal Budget -				
Local Tax for Municipal Purposes	<u>4,405,680.16</u>		<u>4,560,264.97</u>	<u>154,584.81</u>
Budget Totals	<u>7,206,607.68</u>	<u>149,690.37</u>	<u>7,493,016.69</u>	<u>\$ 136,718.64</u>
Nonbudget Revenues	<u>-</u>		<u>129,996.75</u>	
Total	<u>\$ 7,206,607.68</u>	<u>\$ 149,690.37</u>	<u>\$ 7,623,013.44</u>	

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2022

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 13,767,304.37
Allocated to School and County Taxes	<u>9,555,078.56</u>
Balance for Support of Municipal Budget Appropriations	4,212,225.81
Add Appropriation - Reserve for Uncollected Taxes	<u>348,039.16</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 4,560,264.97</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 142,717.07
Tax Title Liens	-
	<u>\$ 142,717.07</u>
Miscellaneous Revenue:	
Landlord Registration	\$ 2,575.00
Recycling	16,350.02
Payment in Lieu of Taxes	38,000.00
Interest on Investments	19,504.56
Vacant Properties Fees	19,000.00
Auction Sales	7,495.00
Vets and Senior Citizen Admin Fee	831.21
JIF Safety Award	1,500.00
Donations	4,450.00
Zoning Fees	2,057.00
Refund of Prior Year Expense	15,633.61
Hall Rentals	1,100.00
Motor Vehicle Inspection Fines	250.00
Miscellaneous	<u>1,250.35</u>
Total	<u><u>\$ 129,996.75</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, 2022

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
Operations Within "CAPS":						
General Government:						
Administrative and Executive:						
Salaries and Wages	\$ 14,795.00	\$ 14,795.00	\$ 12,400.02	\$ -	\$ 2,394.98	\$ -
Other Expenses	3,800.00	2,275.00	2,062.00		213.00	
Municipal Clerk						
Salaries and Wages	14,103.00	14,209.00	14,208.60		0.40	
Other Expenses	38,500.00	38,117.00	26,690.98		11,426.02	
Financial Administration:						
Salaries and Wages	69,380.00	81,480.00	80,143.25		1,336.75	
Other Expenses	19,185.00	20,710.00	15,697.23		5,012.77	
Audit Services						
Other Expenses	25,000.00	25,000.00	25,000.00			
Data Processing						
Other Expenses	11,020.00	10,628.00	8,495.32	1,766.75	365.93	
Collection of Taxes:						
Salaries and Wages	94,185.00	90,185.00	87,019.41		3,165.59	
Other Expenses	9,000.00	8,600.00	4,501.88		4,098.12	
Liquidation of Tax Title Liens						
Other Expenses	1,000.00	1,000.00	619.41		380.59	
Assessment of Taxes						
Salaries and Wages	16,684.00	17,004.00	16,999.65		4.35	
Other Expenses	3,105.00	2,735.00	1,655.00		1,080.00	
Legal Services and Costs						
Other Expenses	50,000.00	34,000.00	28,213.16		5,786.84	
Engineering Services and Costs						
Other Expenses	40,000.00	24,000.00	13,935.00		10,065.00	
Municipal Land Use Law (N.J.S.A. 40:SSD-1):						
Planning Board:						
Salaries and Wages	11,811.00	11,811.00	11,810.24		0.76	
Other Expenses	13,650.00	13,550.00	6,359.59	91.33	7,099.08	
Insurance:						
Group Insurance	943,000.00	953,000.00	871,380.33		81,619.67	
Liability Insurance	129,333.00	129,333.00	129,333.00			
Workers Compensation	107,473.00	107,473.00	107,473.00			
Health Benefit Waiver	33,000.00	33,000.00	24,322.36		8,677.64	

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2022

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
Operations Within "CAPS":						
Police						
Salaries and Wages	\$ 1,500,823.00	\$ 1,454,723.00	\$ 1,335,195.33	\$ -	\$ 119,527.67	\$ -
Salaries and Wages-American Rescue Plan	80,000.00	80,000.00	80,000.00			
Other Expenses	135,421.00	101,021.00	67,497.39	17,409.17	16,114.44	
Civil Defense and Disaster Control (Emergency Mgmt)						
Salaries and Wages	1,642.00	1,662.00	1,662.00			
Other Expenses	6,960.00	6,940.00	4,365.16	1,999.01	575.83	
Aid to Volunteer Fire Companies						
Other Expenses	61,000.00	61,000.00	49,311.62	1,877.25	9,811.13	
First Aid Organization- Contribution	36,875.00	40,775.00	5,774.20	763.14	34,237.66	
Fire Hydration Service (Water)	63,000.00	63,000.00	59,771.69		3,228.31	
Road Repairs and Maintenance						
Salaries and Wages	201,347.00	187,247.00	186,845.08		401.92	
Other Expenses	45,700.00	45,027.00	39,903.08	91.45	5,032.47	
Garbage and Trash Collection						
Salaries and Wages	141,339.00	165,439.00	164,906.15		532.85	
Other Expenses	2,250.00	2,250.00	1,317.15		932.85	
Solid Waste Disposal						
Other Expenses	167,000.00	219,000.00	200,695.68	715.75	17,588.57	
Public Buildings and Grounds						
Salaries and Wages	57,504.00	47,504.00	46,533.04		970.96	
Other Expenses	57,250.00	45,150.00	37,855.67	1,694.26	5,600.07	
Vehicle Maintenance						
Other Expenses	49,750.00	61,923.00	56,748.35	1,896.42	3,278.23	
Health and Human Services						
Registrar of Vital Statistics						
Salaries and Wages	2,288.00	2,363.00	2,362.10		0.90	
Other Expenses	900.00	575.00	75.00		500.00	

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2022

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
Operations Within "CAPS":						
Senior Citizen Transportation						
Other Expenses	\$ 5,175.00	\$ 5,175.00	\$ 3,000.00	\$ -	\$ 2,175.00	\$ -
Other Common Operating Functions						
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	4,275.00	4,275.00	450.00		3,825.00	
Utility and Bulk Purchases						
Electricity	60,000.00	60,000.00	52,826.20		7,173.80	
Street Lights	55,000.00	55,000.00	49,920.14		5,079.86	
Telephone	35,000.00	35,000.00	33,521.10		1,478.90	
Gasoline	55,000.00	90,000.00	82,909.57	2,730.41	4,360.02	
Sewer	3,000.00	3,000.00	2,376.00		624.00	
Municipal Court Functions						
Municipal Court						
Salaries and Wages	129,375.00	129,375.00	127,499.00		1,876.00	
Inspection of Rentals and Certification of Habitability						
Salaries and Wages	8,177.00	8,277.00	8,209.56		67.44	
Other Expenses	140.00	40.00	-		40.00	
Stormwater Regulation						
Salaries and Wages	1,082.00	1,182.00	1,174.29		7.71	
Other Expenses	1,050.00	1,050.00	1,050.00			
Dog Regulation						
Other Expenses	5,700.00	5,700.00	2,450.01		3,249.99	
Uniform Construction Code						
State Uniform Construction Code						
Construction Code Official						
Salaries and Wages	61,169.00	65,169.00	64,938.94		230.06	
Other Expenses	4,600.00	6,069.00	5,314.39	258.75	495.86	
Total Operations Including Contingent - Within "CAPS"	4,687,816.00	4,687,816.00	4,264,777.32	31,293.69	391,744.99	
Detail:						
Salaries and Wages	2,438,704.00	2,405,425.00	2,266,229.02		139,195.98	
Other Expenses	2,249,112.00	2,282,391.00	1,998,548.30	31,293.69	252,549.01	

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2022

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees Retirement System	\$ 101,236.00	\$ 101,236.00	\$ 101,236.00	\$ -	\$ -	\$ -
Social Security System (O.A.S.I.)	91,328.00	91,328.00	86,985.73		4,342.27	
Police & Fireman's Retirement System	341,261.00	341,261.00	341,261.00			
Unemployment Compensation Insurance	9,000.00	9,000.00	1,540.38		7,459.62	
Defined Contribution Retirement System (DCRP)	1,000.00	1,000.00			1,000.00	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>543,825.00</u>	<u>543,825.00</u>	<u>531,023.11</u>		<u>12,801.89</u>	
Total General Appropriations - For Municipal Purposes Within "CAPS"	<u>5,231,641.00</u>	<u>5,231,641.00</u>	<u>4,795,800.43</u>	<u>31,293.69</u>	<u>404,546.88</u>	
GENERAL APPROPRIATIONS:						
Operations Excluded from "CAPS":						
Recycling Tax	7,500.00	7,500.00	5,753.43		1,746.57	
Total Other Operations Excluded from "CAPS":	<u>7,500.00</u>	<u>7,500.00</u>	<u>5,753.43</u>		<u>1,746.57</u>	
GENERAL APPROPRIATIONS:						
Operations Excluded from "CAPS":						
Municipal Shared Service Agreements						
Borough of Brooklawn						
Construction Code Official						
Salaries & Wages	12,000.00	12,000.00	10,295.20		1,704.80	
Borough of Barrington						
Municipal Clerk						
Other Expenses	29,580.00	29,580.00	29,580.00			
Borough of Barrington						
Shared Truck Wash						
Other Expenses	4,000.00	4,000.00	-		4,000.00	
Borough of Runnemede						
Shared Trash Collection						
Salaries & Wages	39,000.00	39,000.00	38,999.46		0.54	
Other Expenses	20,000.00	20,000.00	6,633.58		13,366.42	

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2022

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
Operations Excluded from "CAPS":						
Municipal Shared Service Agreements						
Borough of Stratford						
Shared Electrical Sub-Code Official						
Other Expenses	\$ 9,315.00	\$ 9,315.00	\$ 9,000.00	\$ -	\$ 315.00	\$ -
Total Municipal Shared Service Agreements	<u>113,895.00</u>	<u>113,895.00</u>	<u>94,508.24</u>		<u>19,386.76</u>	
GENERAL APPROPRIATIONS:						
Operations Excluded from "CAPS":						
Public and Private Programs Offset by Revenues:						
American Rescue- Stormwater Project	400,114.66	400,114.66	400,114.66			
Clean Communities Program (C159 \$9,690.37)		9,690.37	9,690.37			
County Open Space Grant (C159 \$25,000.00)		25,000.00	25,000.00			
New Jersey Dept of Transportation	230,000.00	230,000.00	230,000.00			
New Jersey Dept of Transportation (C159 \$115,000.00)		115,000.00	115,000.00			
Recycling Tonnage Grant	6,208.86	6,208.86	6,208.86			
Total Public and Private Programs Offset by Revenues	<u>636,323.52</u>	<u>786,013.89</u>	<u>786,013.89</u>			
Total Operations - Excluded From "CAPS"	<u>757,718.52</u>	<u>907,408.89</u>	<u>886,275.56</u>		<u>21,133.33</u>	
Detail:						
Salaries and Wages	39,000.00	51,000.00	49,294.66		1,705.34	
Other Expenses	718,718.52	856,408.89	836,980.90		19,427.99	
GENERAL APPROPRIATIONS:						
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00			
Total Capital Improvements - Excluded From "CAPS"	<u>50,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>			

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2022

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	\$ 575,000.00	\$ 575,000.00	\$ 575,000.00	\$ -	\$ -	\$ -
Payment of Bond Anticipation Notes and Capital Notes			-			
Interest on Bonds	178,649.00	178,649.00	178,486.11			162.89
Interest on Notes	6,000.00	6,000.00	5,903.56			96.44
Capital Lease Obligations Approved Prior to 7/1/07						
Principal	45,000.00	45,000.00	45,000.00			
Interest	7,560.00	7,560.00	7,559.49			0.51
Total Municipal Debt Service - Excluded From "CAPS"	<u>812,209.00</u>	<u>812,209.00</u>	<u>811,949.16</u>			<u>259.84</u>
Deferred Charges - Excluded From "CAPS"						
Special Emergency Authorizations-5 years	7,000.00	7,000.00	7,000.00			
Special Emergency Authorizations- 3 years			-			
Total Deferred Charges - Excluded From "CAPS"	<u>7,000.00</u>	<u>7,000.00</u>	<u>7,000.00</u>			
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	<u>1,626,927.52</u>	<u>1,776,617.89</u>	<u>1,755,224.72</u>		<u>21,133.33</u>	<u>259.84</u>
Subtotal General Appropriations	6,858,568.52	7,008,258.89	6,551,025.15	31,293.69	425,680.21	259.84
Reserve for Uncollected Taxes	348,039.16	348,039.16	348,039.16			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 7,206,607.68</u>	<u>\$ 7,356,298.05</u>	<u>\$ 6,899,064.31</u>	<u>\$ 31,293.69</u>	<u>\$ 425,680.21</u>	<u>\$ 259.84</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

Analysis of Budget After Modification:

Original Budget	\$ 7,206,607.68	
By Appropriation 40A:4-87	<u>149,690.37</u>	
		<u>\$ 7,356,298.05</u>

Analysis of Paid or Charged:

Reserve for Federal and State Grants - Appropriated	\$ 786,013.89
Reserve for Uncollected Taxes	348,039.16
Special Emergency	7,000.00
Cash Disbursed	<u>5,758,011.26</u>

Total		<u>\$ 6,899,064.31</u>
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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, 2022 and 2021

	<u>REFERENCE</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 3,584.93	\$ 4,506.65
Total Animal Control Fund		<u>3,584.93</u>	<u>4,506.65</u>
Other Funds:			
Cash - Treasurer	B-1	736,377.06	749,566.43
Due from Current Fund	A	59,108.97	59,108.97
Accounts Receivable		25,892.01	13,314.13
Total Other Funds		<u>821,378.04</u>	<u>821,989.53</u>
Total Assets		<u>\$ 824,962.97</u>	<u>\$ 826,496.18</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due State of New Jersey		\$ 25.80	\$ 50.40
Due Current Fund	A	3,000.00	3,000.00
Reserve for Animal Control Expenditures	B-2	559.13	1,456.25
Total Animal Control Fund		<u>3,584.93</u>	<u>4,506.65</u>
Other Funds:			
Due Current Fund	A	48,439.11	63,183.19
Payroll Deductions Payable		22,821.45	18,393.52
Due to Criminal Disposition & Review Board		7,070.11	7,070.11
Reserve for :			
Unemployment Compensation	B-3	8,719.52	6,779.83
Escrow Trust Fund	B-4	142,895.77	154,170.58
Law Enforcement - Forfeited Funds	B-5	11,697.55	11,680.07
Tax Title Lien Redemption Trust	B-6	10,992.02	52,437.95
Tax Sale Premiums	B-7	312,800.00	297,400.00
Off Duty Police	B-8	243,970.70	206,532.72
Public Defender Fees	B-9	11,535.08	4,076.08
POAA Fees	B-10	163.10	92.16
Police Donations	B-11	273.63	173.32
Total Other Funds		<u>821,378.04</u>	<u>821,989.53</u>
Total Liabilities and Reserves		<u>\$ 824,962.97</u>	<u>\$ 826,496.18</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, 2022 and 2021

	<u>REFERENCE</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$ 685,333.86	\$ 1,136,431.82
State Grant Receivable		317,420.60	248,779.35
Due from Current Fund	A	1,268,292.15	1,265,311.92
Due from Federal and State Grant Fund	A	428,440.94	428,440.94
Amount to be Provided by Financed Purchase Obligatio	C-10	144,000.00	189,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	6,125,000.00	6,700,000.00
Unfunded	C-5	<u>2,153,785.00</u>	<u>1,135,735.00</u>
Total		<u>\$ 11,122,272.55</u>	<u>\$ 11,103,699.03</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 6,125,000.00	\$ 6,700,000.00
Bond Anticipation Notes Payable	C-9	800,000.00	800,000.00
Financed Purchase Obligations	C-10	144,000.00	189,000.00
Encumbrances Payable	C-7	1,420.00	
Due to Current Fund	A	46.87	46.87
Improvement Authorizations:			
Funded	C-7	1,355,282.03	1,370,884.14
Unfunded	C-7	1,125,772.11	290,576.59
Capital Improvement Fund	C-6	21,485.10	22,435.10
Reserve for Debt Service		1,544,356.15	1,725,846.04
Fund Balance	C-1	<u>4,910.29</u>	<u>4,910.29</u>
Total		<u>\$ 11,122,272.55</u>	<u>\$ 11,103,699.03</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, 2022

Balance December 31, 2022 and 2021

\$ 4,910.29

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

BOROUGH OF MOUNT EPHRAIM
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of Changes in General Fixed Assets - Regulatory Basis
For the Year Ended December 31, 2022

	<u>Balance December 31, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2022</u>
General Fixed Assets:				
Land and Land Improvements	\$ 1,474,676.41	\$ -	\$ -	\$ 1,474,676.41
Building and Building Improvements	3,876,900.00	-	-	3,876,900.00
Machinery and Equipment	<u>3,636,126.42</u>	<u>12,977.52</u>	<u>-</u>	<u>3,649,103.94</u>
Total	<u>\$ 8,987,702.83</u>	<u>\$ 12,977.52</u>	<u>\$ -</u>	<u>\$ 9,000,680.35</u>
 Investment in General Fixed Assets	 <u>\$ 8,987,702.83</u>	 <u>\$ 12,977.52</u>	 <u>\$ -</u>	 <u>\$ 9,000,680.35</u>

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

Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022

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 2021 estimate is 4,628.

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

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the Borough is not includable in any other reporting entity on the basis of such criteria.

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

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

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

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

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

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

Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000 the maximum amount allowed by the Circular.

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

Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fixed Assets (Continued) - In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft. No depreciation of general fixed assets is recorded.

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

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

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

Fund Balance - Fund Balance included in the Current Fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

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

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

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

Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis and interest on general capital indebtedness is on the cash basis.

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

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

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

Impact of Recently Issued Accounting Principles – During 2022, the Borough implemented GASB No. 87, Leases.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

Statement No. 96, Subscription-Based Information Technology Arrangements. This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods, thereafter, will not have any impact on the Borough's financial reporting, however it may have an impact on financial disclosures.

Statement No. 101, Compensated Absences. This statement, which is effective for periods beginning after June 15, 2023, and all reporting periods, thereafter, will not have any impact on the Borough's financial reporting, however it may have an impact on financial disclosures.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 2. CASH AND CASH EQUIVALENTS

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

Such funds are shown as uninsured and uncollateralized. Of the Municipality’s amount on deposit of \$5,456,068 as of December 31, 2022, \$250,000 was insured under FDIC, \$3,012,963 was invested under New Jersey Cash Management Fund and the remaining balance of \$2,193,105 was collateralized under GUDPA.

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Tax Rate	\$ 5.017	\$ 4.877	\$ 4.745	\$ 4.659	\$ 4.618
Apportionment of Tax Rate:					
Municipal	\$ 1.584	\$ 1.485	\$ 1.405	\$ 1.317	\$ 1.317
County	0.925	0.904	0.867	0.904	0.929
Local School	2.508	2.488	2.473	2.438	2.372

Assessed Valuation

2022	\$ 278,146,485
2021	277,762,794
2020	276,844,200
2019	275,581,000
2018	276,114,900

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2022	\$ 14,000,790	\$ 13,767,304	98.33%
2021	13,569,091	13,394,471	98.71%
2020	13,194,413	13,000,821	98.53%
2019	13,149,674	12,767,175	97.09%
2018	12,796,644	12,568,762	98.22%

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 3. PROPERTY TAXES (CONTINUED)

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$ 226,280	\$ 204,327	\$ 430,607	3.08%
2021	203,151	149,515	352,666	2.60%
2020	180,679	157,766	338,445	2.57%
2019	158,804	160,320	319,124	2.43%
2018	136,560	210,490	347,050	2.71%

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

<u>Year Ended</u>	<u>Number</u>
2022	34
2021	34
2020	34
2019	34
2018	31

NOTE 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year Ended</u>	<u>Amount</u>
2022	\$ 9,400
2021	9,400
2020	9,400
2019	9,400
2018	9,400

NOTE 5. SEWER UTILITY LEVY

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

Comparison of Sewer Utility Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2022	\$ -	\$ -	N/A
2021	-	-	N/A
2020	-	-	N/A
2019	229,055	217,020	94.75%
2018	229,965	212,750	92.51%

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

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>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2022	\$ 1,015,131	\$ 750,000	73.88%
2021	1,025,313	750,000	73.15%
2020	1,058,222	750,000	70.87%
2019	1,041,485	750,000	72.01%
2018	1,120,931	800,000	71.37%

NOTE 7. PENSION PLANS

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

Plan Description - The Police and Firemen's Retirement System is a cost sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944. The PFRS provides retirement, death and disability, and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 7. PENSION PLANS (CONTINUED)

Police and Firemen’s Retirement System (PFRS)

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate is 10.0%. Employers’ contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to record in the government-wide financial statements or to disclose in the notes to the financial statements of the local participating employer related to this legislation.

The Borough’s contractually required contribution rate for the year ended December 31, 2022, was 34.22% of the Borough’s covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2022, the Borough’s contractually required contribution to the pension plan for the year ended December 31, 2022, is \$405,037 and is payable by April 1, 2023. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount.

The amount of contractually required contribution for the State of New Jersey’s proportionate share, associated with the Borough, for the year ended December 31, 2022, was 6.67% of the Borough’s covered payroll.

Based on the most recent PFRS measurement date of June 30, 2022, the State’s contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2022, is \$78,983 and is payable by April 1, 2023. Based on the PFRS measurement date of June 30, 2021, the State’s contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2021, was \$52,289, which was paid on April 1, 2022.

The Borough is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by Borough</u>
2022	\$ 103,235	\$ 226,776	\$ 11,250	\$ 341,261
2021	101,859	211,671	10,727	324,257
2020	100,818	197,880	14,428	313,126

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PFRS and additions to/deductions from PFRS fiduciary net position have been determined on the same basis as they are reported by PFRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 7. PENSION PLANS (CONTINUED)

Police and Firemen’s Retirement System (PFRS) (Continued)

For the year ended December 31, 2022, the Borough’s proportionate share of pension expense is \$73,196. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1.

At December 31, 2022, the Borough proportionate share of the net pension liability is \$3,564,789 and deferred outflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 161,352	\$ 218,392
Changes of assumptions	9,770	448,736
Net Difference between projected and actual earnings on pension plan investments	326,430	
Changes in proportion	347,566	154,431
Borough contributions subsequent to the measurement date	405,037	
Total	\$ 1,250,155	\$ 821,559

\$405,037 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2022	\$ 24,770
2023	15,830
2024	15,080
2025	(31,499)
2026	(304)
Thereafter	(318)
Total	\$ 23,559

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 7. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
June 30, 2021	-	6.17
June 30, 2022	6.22	-
Changes of assumptions		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2021	6.17	-
June 30, 2022	-	6.22
Differences between projected and actual investment earnings on pension plan investments		
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

Additional Information

Collective balances at June 30, 2022 and 2021 are as follows:

	<u>6/30/2022</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$ 2,163,793,985	\$ 817,271,932
Collective deferred inflows of resources	\$ 2,805,919,493	\$ 6,875,738,520
Collective net pension liability	\$ 13,483,472,009	\$ 9,364,849,587
Borough's Proportion	.03114337%	.0292809264%

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 7. PENSION PLANS (CONTINUED)

Police and Firemen’s Retirement System (PFRS) (Continued)

Actuarial assumptions - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 – 16.25%
	based on years of service
Investment Rate of Return:	7.00%

Additional Information

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and a 102.5% adjustment for females, and with future improvement from base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 7. PENSION PLANS (CONTINUED)

Police and Firemen’s Retirement System (PFRS) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Borough’s proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough’s and State’s proportionate share of the net pension liability measured as of June 30, 2022, calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's proportionate share of the net pension liability	\$ 4,891,276	\$ 3,564,789	\$ 2,460,483
State's proportionate share of the net pension liability associated with the Borough	738,286	634,428	547,925
	\$ 5,629,562	\$ 4,199,217	\$ 3,008,407

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees’ Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction’s pension fund. The PERS’s Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division’s annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate was 7.50% in State fiscal year 2022. Employers' contribution amounts are based on an actuarially determined rate. The Authority's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2022 was 18.01% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the Borough's contractually required contribution to the pension plan for the fiscal year ended December 31, 2022 was \$109,157 and is payable by April 1, 2023. Based on the PERS measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$101,236, which was paid by April 1, 2022. Employee contributions to the pension plan during the year ended December 31, 2022 were \$47,242.

The Borough is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Long-Term Disability	Total Liability Paid by Borough
2022	\$ 12,258	\$ 84,312	\$ 4,666	\$ -	\$ 101,236
2021	11,656	85,508	4,935	-	102,099
2020	7,469	69,113	4,127	179	80,888

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At December 31, 2022, the Borough's proportionate share of the PERS net pension liability was \$1,306,318. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportion of the of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended December 31, 2022, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2022 measurement date is (\$49,923). This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

At December 31, 2022, the Borough proportionate share of the PERS net pension liability was \$1,306,318 and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,428	\$ 8,315
Changes of assumptions	4,047	195,607
Net Difference between projected and actual earnings on pension plan investments	54,067	
Changes in proportion	113,437	91,638
Borough contributions subsequent to the measurement date	109,157	
Total	\$ 290,136	\$ 295,560

\$109,157 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (94,145)
2023	(47,963)
2024	(23,391)
2025	51,030
2026	(112)
Total	\$ (114,581)

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of assumptions		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Differences between projected and actual investment earnings on pension plan investments		
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

Additional Information

Collective balances at June 30, 2022 and 2021 are as follows:

	<u>6/30/2022</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective deferred inflows of resources	\$ 3,236,303,935	\$ 8,339,123,762
Collective net pension liability	\$ 15,219,184,920	\$ 11,972,782,878
Borough's Proportion	.0086560542%	.0086444025%

Actuarial assumptions - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026:	2.00 – 6.00% based on years of service
Thereafter:	3.00 – 7.00% based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and nonemployer contributing entity will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2022, calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's proportionate share of the net pension liability	\$ 1,678,236	\$ 1,306,318	\$ 989,801

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered by Empower on behalf of the Divisions of Pensions and Benefits. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the Borough's contribution for each pay period are transmitted to Empower not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Borough employees enrolled in the DCRP for the years ended December 31, 2022, 2021, and 2020.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

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

The New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension’s reporting on GASBS No. 75, *Accounting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2022, was not available; therefore, the information from the measurement period ended June 30, 2021, is disclosed below.

General Information about the OPEB Plan

The financial statements of the Borough are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The following information is provided in accordance with the requirements of the Statement and has been implemented prospectively.

Plan Description

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

Benefit Eligibility

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

- For PBA, retire from active employment with Mount Ephraim Borough with at least 20 years of service.
- For all others, retire from active employment with Mount Ephraim Borough with at least 25 years of service.

Employees Covered by Benefit Terms – At December 31, 2021, the following employees were covered by the benefit terms:

<u>Participation Data</u>	<u>Amount</u>
Active Employees	17
Retirees	<u>41</u>
Total	<u><u>58</u></u>

Total OPEB Liability

The Total OPEB Liability as of December 31, 2021 is \$29,878,344 based upon a discount rate of 2.06% per annum and the plan provisions in effect on December 31, 2021.

Net OPEB Liability

The Net OPEB Liability as of December 31, 2021 is \$29,878,344 based upon a discount rate of 2.06% per annum and the plan provisions in effect on December 31, 2021. There are no plan assets to offset the liability. The liability is broken out as follows:

Total OPEB Liability	\$ 29,878,344
Fiduciary Net Position (Assets)	<u>-</u>
Net OPEB Liability	<u><u>\$ 29,878,344</u></u>

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

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

Basis of Valuation

This valuation has been conducted as of December 31, 2021 based upon census, plan design and medical, drug, dental and vision rate information provided by the Borough. Census includes 22 participants currently receiving retiree benefits, and 17 active participants of whom none are eligible to retire as of the valuation date. The average age of the active population is 41 and the average age of the retiree population is 62.

Actuarial assumptions were selected with the intention of mirroring the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard No. 75.

Demographic assumptions were selected based on those used in the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2020 report from Cheiron. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2020 report from Aon Consultants.

Key Actuarial Assumptions

Mortality	RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years
Turnover	NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility
Assumed Retirement Age	At first eligibility after completing 25 years of service
Full Attribution Period	Service to Assumed Retirement Age
Annual Discount Rate	2.12% Based on the Bond Buyer 20 Index December 31, 2020
Rate of Salary Increase	2.50%
Trend	Medical: 5.5% in 2021, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026 Drug: 7.0% in 2021, reducing by 0.5% per annum, leveling at 4.5% per annum in 2026 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

Attribution period – The attribution period begins with the date of hire and ends with full benefits eligibility date.

Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2018 medical, prescription drug and dental premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (46) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payer of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. Thus, post 65 costs were decreased using the assumption that Medicare picks up 66.7% of medical costs.

Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees’ Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the Borough increased annually by the rate of medical trend.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

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

Actuarial valuation method – Entry Age Normal Funding Method based on a level percentage of salary. 2021 salaries were reported by the Borough as \$1,288,000.

Discount Rate – For the total OPEB Liability calculation as of December 31, 2021, the discount rate utilized was 2.06%

Changes in the Total OPEB Liability – The changes to the OPEB Liability during the year ending December 31, 2021 are as follows:

	Total OPEB Liability
Balance as of 12/31/2020	\$ 32,926,822
Changes for the year:	
Service cost	305,929
Interest Cost	699,713
Changes in Assumptions	(3,599,282)
Net Benefit Payments	(454,838)
Net Changes	(3,048,478)
Balance December 31, 2021	\$ 29,878,344

Total OPEB Expense – The Total OPEB Expense is the measure of annual cost based on the actuarial funding method utilized. It is comprised of the “Service Cost” which is the portion of future liabilities attributable to the measurement year, plus interest on the Net OPEB Liability during the year. As of the measurement date, the plan had no assets to offset any portion of the Net OPEB Liability.

The Total OPEB Expense as of December 31, 2021 is \$1,001,865 based upon a discount rate of 2.06% per annum and the plan provisions in effect on December 31, 2021.

Sensitivity of the total OPEB liability to changes in the discount rate - Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. The following represents the Total OPEB Liability if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 1.06%	Current Discount Rate 2.06%	1% Increase 3.06%
Total OPEB Liability	\$ 35,785,083	\$ 29,878,344	\$ 25,316,648

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

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

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. The following represents the Total OPEB Liability if it were calculated using a medical trend is that 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 25,671,486	\$ 29,878,344	\$ 35,208,287

The Borough does not provide post-employment health care benefits as part of the State Health Benefits Local Government Retired Employment Plan. However, benefits are provided as described below:

Special Funding Situation PFRS

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium of periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2021 and 2020, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$3,089,279 and \$2,698,105 respectively. For the years ended December 31, 2021 and 2020 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is (\$421,544) and (\$134,312) respectively. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

NOTE 9. COMPENSATED ABSENCES

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

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

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$617,451.

Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022

NOTE 10. RISK MANAGEMENT

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

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

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

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

<u>Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Other Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 12	\$ 3,727	\$ -	\$ 1,799	\$ 8,720
2021	6	3,407	-	365	6,780
2020	11	3,328	-	5,326	3,732
2019	15	3,346	2,000	5,043	5,719
2018	7	3,158	-	-	5,401

NOTE 11. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Issued:</u>			
General Bonds and Notes	\$ 6,925,000	\$ 7,500,000	\$ 6,586,092
Total Issued	<u>6,925,000</u>	<u>7,500,000</u>	<u>6,586,092</u>
<u>Authorized But Not Issued:</u>			
General Bonds and Notes	<u>1,353,785</u>	<u>335,735</u>	<u>800,735</u>
Net Debt	<u>\$ 8,278,785</u>	<u>\$ 7,835,735</u>	<u>\$ 7,386,827</u>

Serial Bonds Payable

Serial Bonds are authorized in accordance with State law. All bonds are retired in serial installments within the statutory period of usefulness. Serial Bonds payable at December 31, 2022 consisted of the following issue:

<u>Purpose</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
2019 Guaranteed Bonds	5/01/2033	5.25% - 6.00%	\$ 1,390,000
2015 General Obligation Bonds	3/01/2033	3.25% - 3.75%	2,030,000
2021 General Obligation Bonds	4/01/2031	2%	2,705,000

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 11. CAPITAL DEBT (Continued)

Bond Anticipation Notes Payable

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

As of December 31, 2022, the Borough had outstanding bond anticipation notes as follows:

<u>Fund</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
General Capital	\$ 800,000	0.65%	January 25, 2023

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.087%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 2,905,000	\$ 2,905,000	\$ -
General Debt	8,278,785	1,383,846	6,894,939
Total	\$ 11,183,785	\$ 4,288,846	\$ 6,894,939

Net Debt, \$6,894,939 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$330,319,547 equals 2.087%.

Equalized Valuation Basis:

2020	\$ 295,742,015
2021	326,664,354
2022	368,552,272
Average	<u>\$ 330,319,547</u>

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 11,561,184
Net Debt	<u>6,894,939</u>
Remaining Borrowing Power	<u>\$ 4,666,245</u>

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 11. CAPITAL DEBT (Continued)

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

Serial Bonds Payable

<u>Calendar Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 585,000	\$ 161,419	\$ 746,419
2024	600,000	145,319	745,839
2025	615,000	128,794	743,794
2026	635,000	111,763	746,763
2027	650,000	94,225	744,225
2028-2032	2,820,000	209,044	3,029,044
2033	<u>220,000</u>	<u>4,125</u>	<u>224,125</u>
Total	<u>\$ 6,125,000</u>	<u>\$ 854,688</u>	<u>\$ 6,979,688</u>

NOTE 12. LEASE RECEIVABLE

The Borough, as lessor, has entered into the following lease agreement which meets the requirements of GASB 87:

Billboard Lease – On April 1, 2013, the Borough entered into a twenty-year lease agreement for the lease of a billboard. This includes the option of a five-year extension at the sole discretion of the Borough. It is unknown at this time whether this option will be exercised. The agreement has an incremental borrowing rate of 3.50%. Under the terms of the lease, the Borough receives rent payments equal to the greater of (a) the applicable minimum annual guarantee for the lease year, payable in annual installments in advance or (b) the applicable percentage of the net advertising revenue (gross less agency commission of 16 2/3%) received by Tenant for advertising during such lease year, if any. The lessee paid the Borough \$85,003.00 for the year ended December 31, 2022.

The future minimum lease payments to be received by the Borough are as follows. These amounts are subject to change based on parameters in the lease agreement:

	<u>Billboard Lease</u>
2023	\$78,626.00
2024	80,198.00
2025	81,802.00
2026	83,438.00
2027	85,107.00
2028-2032	451,756.00

As discussed in Note 1, the financial statements are prepared by the Borough on a basis of accounting prescribed by the New Jersey Division of Local Government Services, Department of Community Affairs. This is a basis of accounting other than Generally Accepted Accounting Principles (GAAP). As a result, the Borough does not recognize GASB requirements for recognition of the lease receivable on the Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis.

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 13. FINANCED PURCHASE OBLIGATIONS

As of December 31, 2022, the Borough had the following financed purchase obligations:

<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Various Capital Improvements	December 15, 2022	4.000%	\$ 144,000
Fire Equipment	January 3, 2024	5.790%	10,470
Police Vehicle	November 3, 2024	7.740%	30,466
Total			<u>\$ 184,936</u>

Future minimum lease payments under the financed purchase obligations are as follows:

<u>Calendar</u>	<u>General</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 65,753	\$ 8,724	\$ 74,477
2024	69,183	5,455	74,638
2025	50,000	2,000	52,000
Total	<u>\$ 184,936</u>	<u>\$ 16,179</u>	<u>\$ 201,115</u>

NOTE 14. 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, 2022.

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 136,425	\$ 1,357,692
Federal and State Grant Fund	30,291	513,380
Trust Fund:		
Animal Control Fund	-	3,000
Other Trust Funds	59,109	48,439
General Capital Fund	<u>1,696,733</u>	<u>47</u>
	<u>\$ 1,922,558</u>	<u>\$ 1,922,558</u>

NOTE 15. CONTINGENCIES

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

**Borough of Mount Ephraim
Notes to Financial Statements
December 31, 2022**

NOTE 16. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	Balance December 31, 2022	2023 Budget Appropriation	Balance to Succeeding Years
<u>Current Fund:</u>			
Special Emergency – Master Plan	\$ 7,000.00	\$ 7,000.00	\$ -

The appropriation in the 2023 Budget is not less than that required by the statutes.

NOTE 17. SUBSEQUENT EVENTS

Subsequent to December 31, 2022, the Borough of Mount Ephraim authorized additional Bonds and Notes as follows:

Purpose	Date	Amount
Supplemental Environmental Remediation of Cleveland Ave.	2/3/2023	\$ 95,000

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF MOUNT EPHRAIM
Current Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2022

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2021	\$ 3,095,351.83	\$ 682,776.87
Receipts:		
Taxes Receivable	\$13,748,711.90	
Tax Title Liens	-	
Prepaid Taxes	71,978.02	
Tax Overpayments	39,772.36	
Revenue Accounts Receivable	1,275,601.16	
Due State of New Jersey:		
Marriage License Fees	225.00	
UCC Fees	4,570.00	
Due from State of New Jersey for Senior Citizens and Veterans Deductions	40,060.28	
Miscellaneous Revenues Not Anticipated	129,998.75	
Due to General Capital Fund	2,980.23	
Budget Refunds	384,950.17	
Contra	308,481.37	
Federal and State Grants Receivable		\$ 48,507.23
Federal and State Grants Unappropriated Reserves		<u>242,227.72</u>
Total Receipts	<u>16,007,329.24</u>	<u>290,734.95</u>
Sub-Total	<u>19,102,681.07</u>	<u>973,511.82</u>
Disbursements:		
2022 Appropriations	5,758,011.26	
2021 Appropriation Reserves	115,749.59	
County Taxes	2,575,349.20	
Local School Taxes Payable	6,974,602.00	
Due State of New Jersey:		
Marriage License Fees	350.00	
UCC Fees	4,299.00	
Reserve for Master Plan		
Tax Overpayments	22,949.91	
Budget Refunds	384,950.17	
Contra	308,481.37	
Due to Current Fund		80,000.00
Federal and State Appropriated Reserves	-	<u>40,609.35</u>
Total Disbursements	<u>16,144,742.50</u>	<u>120,609.35</u>
Balance December 31, 2022	<u>\$ 2,957,938.57</u>	<u>\$ 852,902.47</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Change Fund
 For the Year Ended December 31, 2022

Tax Office		\$ 200.00
Total		\$ 200.00

Schedule of Due (to)/from State of New Jersey
 for Senior Citizens and Veterans Deductions
 For the Year Ended December 31, 2022

Balance Due (to)/from December 31, 2021		\$ (1,119.53)
Increased by:		
Senior Citizen Deductions per Duplicate	\$ 9,250.00	
Veterans Deductions per Duplicate	35,000.00	
Senior Citizen and Veterans Deductions Allowed by Collector	1,000.00	
	45,250.00	
Less - Disallowed Senior Citizens and Veterans Deductions	4,358.22	40,891.78
Subtotal		39,772.25
Decreased by:		
Collected		40,060.28
Balance Due (to)/from December 31, 2022		\$ (288.03)

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2022

Year	Balance	2022 Levy	Added Taxes	COLLECTIONS BY CASH		State Share of 2022 Senior Citizens and Veterans Deductions Allowed	Overpayments Applied	Transferred to Tax Title Lien	Canceled	Balance
	Dec. 31. 2021			2021	2022					Dec. 31. 2022
2021	\$ 149,515.39	\$ -	\$ 89.04	\$ -	\$ 142,717.07	\$ -	\$ -	\$ 6,887.36	\$ -	\$ -
Subtotal	149,515.39	-	89.04	-	142,717.07	-	-	6,887.36	-	-
2022		14,000,789.99		95,268.54	13,605,994.83	40,891.78	25,149.22	23,128.38	6,030.35	204,326.89
Total	\$ 149,515.39	\$ 14,000,789.99	\$ 89.04	\$ 95,268.54	\$ 13,748,711.90	\$ 40,891.78	\$ 25,149.22	\$ 30,015.74	\$ 6,030.35	\$ 204,326.89

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 13,910,360.05
Added Taxes	46,179.94
Senior Citizens and Veterans Deductions Allowed Per Original Levy	<u>44,250.00</u>
Total	<u>\$ 14,000,789.99</u>
Tax Levy:	
Local School Tax (Abstract)	\$ 6,975,398.00
County Tax (Abstract)	2,350,018.91
County Library Tax (Abstract)	155,788.18
County Open Space Tax (Abstract)	65,353.27
County Added Taxes	<u>8,520.20</u>
	9,555,078.56
Local Tax for Municipal Purposes	4,405,680.16
Additional Tax Levies	<u>40,031.27</u>
	4,445,711.43
Total	<u>\$ 14,000,789.99</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Tax Title Liens Receivable
 For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 203,151.30
Increased by:	
Transfers from Taxes Receivable	23,128.38
	226,279.68
Decreased by:	
Collected	-
	-
Balance December 31, 2022	\$ 226,279.68

Schedule of Property Acquired for Taxes
 For the Year Ended December 31, 2022

Balance December 31, 2022 and 2021	\$ 9,400.00
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BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	Accrued in <u>2022</u>	Collected By <u>Treasurer</u>	Balance <u>Dec. 31, 2022</u>
Alcoholic Beverage Licenses	\$ -	\$ 4,858.00	\$ 4,858.00	\$ -
Other Licenses		4,226.68	4,226.68	
Fees and Permits		33,830.98	33,830.98	
Municipal Court - Fines and Costs	4,000.83	59,182.37	60,833.93	2,349.27
Interest and Costs on Taxes		33,308.74	33,308.74	
Cable TV Franchise Fees		61,483.55	61,483.55	
Energy Receipts Tax		413,704.00	413,704.00	
Uniform Construction Code		57,023.00	57,023.00	
Shared Services Agreement - Trash		51,062.58	51,062.58	
Shared Services Agreement - Construction Code		8,286.30	8,286.30	
Reserve for Debt Service		342,000.00	342,000.00	
American Rescue Plan		80,000.00	80,000.00	
Off- Duty Police administrative Fees		16,000.00	16,000.00	
Reserve for Municipal Relief Fund Aid		21,580.40	21,580.40	
Billboard Lease		85,003.00	85,003.00	
Firehouse Lease		2,400.00	2,400.00	
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 4,000.83</u>	<u>\$ 1,273,949.60</u>	<u>\$ 1,275,601.16</u>	<u>\$ 2,349.27</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, 2022

Purpose	Date Authorized	Amount Authorized	Balance December 31, 2021	Added in 2022	Raised in 2022 Budget	Balance December 31, 2022
N.J.S. 40A:4-55 Special Emergency Authorizations						
Master Plan	10/04/18	\$ 35,000.00	\$ 14,000.00	\$ -	\$ 7,000.00	\$ 7,000.00
Total			<u>\$ 14,000.00</u>	<u>\$ -</u>	<u>\$ 7,000.00</u>	<u>\$ 7,000.00</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
Schedule of 2021 Appropriation Reserves
For the Year Ended December 31, 2022

	Balance Dec. 31, 2021	Encumbrances Dec. 31, 2021	Balance after Transfers	Disbursed	Balance Lapsed
Salary and Wages - Within Caps					
Administrative & Executive	\$ 1,044.92	\$ -	\$ 1,044.92	\$ -	\$ 1,044.92
Municipal Clerk	1.06		1.06		1.06
Financial Administration	7,770.47		7,770.47		7,770.47
Collection of Taxes	4,213.09		4,213.09		4,213.09
Tax Assessment Administration	101.45		101.45		101.45
Planning Board	0.39		0.39		0.39
Police	131,693.17		131,693.17		131,693.17
Civil Defense and Disaster Control	8.28		8.28		8.28
Road Repairs & Maintenance	13,377.74		13,377.74		13,377.74
Garbage and Trash Removal	219.73		219.73		219.73
Public Buildings & Grounds	13,030.82		13,030.82		13,030.82
Registrar of Vital Statistics	0.80		0.80		0.80
Municipal Court			-		
State Uniform Construction Code	670.96		670.96		670.96
Inspection of Rental And Certification of Habitability	27.04		27.04		27.04
Stormwater Regulation	29.72		29.72		29.72
Subtotal	<u>172,189.64</u>	<u>-</u>	<u>172,189.64</u>	<u>-</u>	<u>172,189.64</u>
Other Expenses - Within Caps					
Administrative & Executive	2,065.20		2,065.20		2,065.20
Municipal Clerk's Office	4,970.00	6.00	4,976.00	741.00	4,235.00
Financial Administration	358.21	184.35	542.56	184.35	358.21
Data Processing	4,631.68		4,631.68	503.67	4,128.01
Collection of Taxes	3,969.42		3,969.42		3,969.42
Liquidation of Tax Title Liens	654.92		654.92		654.92
Tax Assessment Administration	507.28		507.28		507.28
Legal Services and Costs	16,522.23		16,522.23	1,815.00	14,707.23
Engineering Services and Costs	32,866.48		17,366.48		17,366.48
Planning Board	13.08		13.08		13.08
Group Insurance	59,155.19		59,155.19		59,155.19
Liability Insurance	1,067.10		1,067.10		1,067.10
Workers Compensation	1,756.46		1,756.46		1,756.46
Health Benefit Waiver	16,785.68		16,785.68		16,785.68
Police	98,467.74	61,450.03	159,917.77	64,043.03	95,874.74
Civil Defense and Disaster Control	540.20	1,217.83	1,758.03	1,155.49	602.54
Aid to Volunteer Fire Companies	655.97	3,756.00	4,411.97	3,945.00	466.97
Aid to Volunteer - Ambulance	4,216.34		4,216.34	142.11	4,074.23
Fire Hydrant Service (Water)	122.44		122.44		122.44
Road Repairs & Maintenance		1,095.29	2,072.17	1,345.29	726.88
Garbage and Trash Removal	41.67		41.67		41.67
Solid Waste Disposal	6,891.66		6,891.66	682.10	6,209.56
Public Buildings and Grounds	5,636.08	147.57	11,783.65	11,565.12	218.53
Borough Vehicle Maintenance	6,193.26	2,949.77	9,143.03	6,535.02	2,608.01
Registrar of Vital Statistics	689.50		689.50		689.50
Senior Citizen Transportation	5,175.00		5,175.00		5,175.00
Celebration of Public Event, Anniversary, or Holiday	3,628.10		3,628.10	90.35	3,537.75
Utilities:					
Electricity	12,782.80		12,782.80	5,827.20	6,955.60
Street Lights	5,614.96		5,614.96	4,848.18	766.78
Telephone	1,982.04		1,982.04	1,132.15	849.89
Water			5,622.44	5,610.21	12.23
Gasoline	596.14	1,871.84	5,368.66	3,343.40	2,025.26
Sewer	796.04		796.04		796.04
Construction Code Official	628.17		628.17		628.17
Inspection of Rentals & Cert. of Habitability	95.00		95.00		95.00
Dog Regulation	4,919.17		4,919.17		4,919.17
Defined Contribution Retirement System	1,000.00		1,000.00		1,000.00
Social Security System	6,418.34		6,418.34		6,418.34
Unemployment Compensation Insurance	7,864.59		7,864.59		7,864.59
Subtotal	<u>320,278.14</u>	<u>72,678.68</u>	<u>392,956.82</u>	<u>113,508.67</u>	<u>279,448.15</u>
Other Expenses - Excluded from Caps					
Recycling Tax	1,556.79		1,556.79		1,556.79
Interlocal Municipal Service Agreements					
Shared Truck Wash	3,432.65		3,432.65		3,432.65
Borough of Barrington Municipal Clerk	7,575.00		7,575.00		7,575.00
Borough of Brooklawn and Merchantville - Construction Offic	2,861.27		2,861.27		2,861.27
Trash Collection			-		
Salaries and Wages	37.06		37.06		37.06
Other Expenses	6,722.33		6,722.33	2,240.92	4,481.41
Borough of Stratford - Electrical Sub-code Official	8.79		8.79		8.79
	<u>22,193.89</u>	<u>-</u>	<u>22,193.89</u>	<u>2,240.92</u>	<u>19,952.97</u>
Grand Total	<u>\$ 514,661.67</u>	<u>\$ 72,678.68</u>	<u>\$ 587,340.35</u>	<u>\$ 115,749.59</u>	<u>\$ 471,590.76</u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 26,143.55
Increased by:		
Collected		<u>39,772.36</u>
Subtotal		65,915.91
Decreased by:		
Refunds	\$ 22,949.91	
Tax Overpayments Applied	<u>25,149.22</u>	<u>48,099.13</u>
Balance December 31, 2022		<u><u>\$ 17,816.78</u></u>

EXHIBIT A-14

Schedule of Prepaid Taxes
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 95,268.54
Increased by:		
Collected		<u>71,978.02</u>
Subtotal		167,246.56
Decreased by:		
Applied to 2022 Taxes		<u>95,268.54</u>
Balance December 31, 2022		<u><u>\$ 71,978.02</u></u>

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Local School Taxes Payable
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ -
Increased by:		
Levy: Calendar Year 2022		6,975,398.00
Subtotal		6,975,398.00
Decreased by:		
Prior Year Overpayment Applied	\$ 796.00	
Disbursed to Local School District	6,974,602.00	6,975,398.00
Balance December 31, 2022		\$ -

Schedule of County Taxes Payable
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 4,188.84
Increased by:		
2022 Levy:		
General County	\$ 2,350,018.91	
County Library	155,788.18	
County Open Space	65,353.27	
Added and Omitted Taxes	8,520.20	
Subtotal		2,579,680.56
		2,583,869.40
Decreased by:		
Disbursed to County of Camden		2,575,349.20
Balance December 31, 2022		\$ 8,520.20

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Sewer Rent Overpayments
 For the Year Ended December 31, 2022

Balance December 31, 2021	\$	453.22
Decreased By		
Canceled		453.22
		453.22
Balance December 31, 2022	\$	-

EXHIBIT A-18

Schedule of Due to State of New Jersey
 for Marriage License Fees
 For the Year Ended December 31, 2022

Balance December 31, 2021	\$	125.00
Increased by:		
State Portion of 2022 Marriage Licenses Fees		225.00
Subtotal		350.00
Decreased by:		
Disbursed to State of New Jersey		350.00
		350.00
Balance December 31, 2022	\$	-

EXHIBIT A-19

Schedule of Due to State of NJ - UCC Fees
 For the Year Ended December 31, 2022

Balance December 31, 2021	\$	906.00
Increased by:		
Cash Received		4,570.00
		5,476.00
Decreased by:		
Cash Disbursed		4,299.00
		4,299.00
Balance December 31, 2022	\$	1,177.00

BOROUGH OF MOUNT EPHRAIM
Current Fund
 Schedule of Reserve for Revaluation
 For the Year Ended December 31, 2022

Balance December 31, 2022 and 2021	\$ <u>4,824.61</u>
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Schedule of Reserve For Codification of Ordinances
 For the Year Ended December 31, 2022

Balance December 31, 2022 and 2021	\$ <u>3,770.62</u>
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Schedule of Reserve For Master Plan
 For the Year Ended December 31, 2022

Balance December 31, 2022 and 2021	\$ <u>5,386.50</u>
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BOROUGH OF MOUNT EPHRAIM
Federal and State Grant Fund
Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2022

	Balance Dec. 31, 2021	Accrued	Cash Received	Transfer From Unappropriated Reserves	Canceled	Balance Dec. 31, 2022
State Grants:						
NJ Transportation Trust - Roosevelt Avenue	\$ 20,012.77	\$ -	\$ -	\$ -		\$ 20,012.77
NJ Transportation Trust - Lambert/Northmont/James	452,000.00				452,000.00	-
Clean Communities Grant		9,690.37	9,690.37			-
Recycling Tonnage Grant	-	6,208.86	6,208.86			-
Body Armor Grant	91.83					91.83
Body Armor Grant	851.95					851.95
Body Worn Camera Grant	32,608.00		32,608.00			-
NJ Transportation Trust - Idora and Charles Streets	225,000.00				225,000.00	-
NJ Transportation Trust - Linden & Adams Streets	245,279.00				245,279.00	-
NJ Transportation Trust - Lake, Lowell and Winthrop	225,000.00				225,000.00	-
NJ Transportation Trust - Lake Street		230,000.00				230,000.00
NJ Transportation Trust - Harding Avenue		115,000.00				115,000.00
County Grants:						
Open Space Preservation Trust Fund	25,274.66					25,274.66
Camden County Open Space Grant	192.44					192.44
County Recreation Facility Enhancement	2,093.61					2,093.61
Camden County Open Space Grant - 2020	25,000.00					25,000.00
Camden County Open Space Grant - 2021	25,000.00					25,000.00
Camden County Open Space Grant - 2022		25,000.00				25,000.00
Federal Grants:						
American Rescue Plan - 2021		160,057.33		160,057.33		
American Rescue Plan - 2022		240,057.33		240,057.33		
Community Development Block Grant	240.00					240.00
Total	<u>\$ 1,278,644.26</u>	<u>\$ 786,013.89</u>	<u>\$ 48,507.23</u>	<u>\$ 400,114.66</u>	<u>\$ 1,147,279.00</u>	<u>\$ 468,757.26</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, 2022

	<u>Balance Dec. 31, 2021</u>	<u>Cash Received</u>	<u>Realized as Grant Revenue In 2022</u>	<u>Current Fund Revenue In 2022</u>	<u>Balance Dec. 31, 2022</u>
Federal Grants:					
American Rescue Plan - 2021	\$ 240,057.33	\$ -	\$ 160,057.33	\$ 80,000.00	\$ -
American Rescue Plan - 2022		240,057.33	240,057.33		
State Grants:					
Body Armor Grant		2,170.39			2,170.39
 Total	<u>\$ 240,057.33</u>	<u>\$ 242,227.72</u>	<u>\$ 400,114.66</u>	<u>\$ 80,000.00</u>	<u>\$ 2,170.39</u>

BOROUGH OF MOUNT EPHRAIM
Federal and State Grant Fund
Schedule of Reserve For Federal and State Grants - Appropriated
For the Year Ended December 31, 2022

	Balance Dec. 31, 2021	Transferred From 2021 Budget	Prior Year Encumbrances	Paid or Charged	Canceled	Balance Dec. 31, 2022
State Grants:						
Drunk Driving Enforcement Fund	\$ 9,054.25	\$ -		\$ -	\$ -	\$ 9,054.25
Recycling Tonnage Grant	5,585.38	6,208.86		6,480.78		5,313.46
Alcohol Education & Rehab. Program	2,808.78					2,808.78
Drive Sober or Get Pulled Over	2,200.00					2,200.00
Body Armor Grant	1,114.96					1,114.96
Clean Communities	8,203.92	9,690.37	433.17	7,777.85		10,549.61
NJ Transportation Trust - Delaware Avenue	10,657.25					10,657.25
NJ Transportation Trust - Roosevelt Avenue	20,409.77					20,409.77
NJ Transportation Trust - Lambert/Northmont/James	452,000.00				452,000.00	-
NJ Transportation Trust - Idora and Charles	225,000.00				225,000.00	-
NJ Transportation Trust - Linden and Adams	245,279.00				245,279.00	-
NJ Transportation Trust - Lake, Lowell and Winthrop	225,000.00				225,000.00	-
NJ Transportation Trust - Lake Street		230,000.00				230,000.00
NJ Transportation Trust - Harding Avenue		115,000.00				115,000.00
Statewide Domestic Preparedness Grant	67.81					67.81
Body Worn Camera Grant	2,270.00					2,270.00
County Grants:						
Camden County Open Space Grant			306.92	306.92		-
Camden County Open Space Grant - 2022			192.44	192.44		-
Camden County Open Space Grant - 2022			267.80	267.80		-
Camden County Open Space Grant - 2020			2,183.24	2,183.24		-
Camden County Open Space Grant - 2021			25,000.00	25,000.00		-
Camden County Open Space Grant - 2022		25,000.00				25,000.00
Federal Grants:						
American Rescue Plan - 2021		160,057.33				160,057.33
American Rescue Plan - 2022		240,057.33				240,057.33
Community Development Block Grant - Year 35	240.00					240.00
Total	<u>\$ 1,209,891.12</u>	<u>\$ 786,013.89</u>	<u>\$ 28,383.57</u>	<u>\$ 42,209.03</u>	<u>\$ 1,147,279.00</u>	<u>\$ 834,800.55</u>
Cash Disbursed				\$ 40,609.35		
Encumbrances				1,599.68		
Total				<u>\$ 42,209.03</u>		

TRUST FUND

BOROUGH OF MOUNT EPHRAIM
Trust Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2022

	Animal Control	Total Other Trust Funds	Unemployment Trust	Payroll	Off-Duty Police	Public Defender	POAA	Developer's Escrow	Tax Title Lien Redemption	Police Donations	Forfeited Funds
Balance December 31, 2020	\$ 4,506.65	\$ 749,566.43	\$ 6,210.85	\$ 54,467.05	\$ 193,218.59	\$ 36,994.70	\$ 92.16	\$ 97,350.08	\$ 349,379.61	\$ 173.32	\$ 11,680.07
Receipts:											
Dog License Fees:											
Municipal Licenses	6,602.40	-									
State Registration Fees	576.60	-									
Miscellaneous	700.00	-									
Board Contribution		-									
Payroll Withholdings		2,470.62	2,470.62								
Net Payroll		1,736,633.49		1,736,633.49							
Payroll Deductions Payable		747,500.58		747,500.58							
Off-Duty Police Fees		264,601.93			264,601.93						
Police Donations		100.00								100.00	
Public Defender Fees		7,459.00				7,459.00					
POAA Fees		70.89					70.89				
Tax Title Lien Redemptions Premium		234,752.34							234,752.34		
Premium		241,200.00							241,200.00		
Developer's Escrow		25,681.43						25,681.43			
Forfeited Funds		-									
Due Current Fund		-									
Due Current Fund - Interest Earned	4.28	1,173.78	11.54	182.93	346.92	62.49	0.21	137.03	414.87	0.31	17.48
Total Receipts	7,883.28	3,261,644.06	2,482.16	2,484,317.00	264,948.85	7,521.49	71.10	25,818.46	476,367.21	100.31	17.48
Disbursements:											
Expenditures Under RS4:19-15.11	8,196.52	-									
State Registration Fees	604.20	-									
Unemployment		1,799.24	1,799.24								
Net Payroll		1,736,633.49		1,736,633.49							
Payroll Deductions Payable		743,072.65		743,072.65							
Off-Duty Police		239,741.83			239,741.83						
Developer's Escrow		36,988.47						36,988.47			
Tax Title Lien Redemptions Premium		276,198.27							276,198.27		
Premium		225,800.00							225,800.00		
Public Defender Fees		-									
POAA		-									
Forfeited Funds		-									
Due to Current Fund	4.28	14,599.48		13,670.24	346.92	62.49	0.16	104.80	414.87		
Total Disbursements	8,805.00	3,274,833.43	1,799.24	2,493,376.38	240,088.75	62.49	0.16	37,093.27	502,413.14	-	-
Balance December 31, 2022	\$ 3,584.93	\$ 736,377.06	\$ 6,893.77	\$ 45,407.67	\$ 218,078.69	\$ 44,453.70	\$ 163.10	\$ 86,075.27	\$ 323,333.68	\$ 273.63	\$ 11,697.55

BOROUGH OF MOUNT EPHRAIM**Trust Fund**Schedule of Reserve for Animal Control Expenditures
For the Year Ended December 31, 2022

Balance (Deficit) December 31, 2021		\$	1,456.25
Increased by:			
2022 Dog License Fees Collected	\$	6,602.40	
Late Fees		700.00	
Refund of Prior Year Expense		-	
Trap-Neuter-Release Donation		-	7,302.40
			<u>7,302.40</u>
Total			8,758.65
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursed		8,196.52	
Adjustment		3.00	8,199.52
			<u>8,199.52</u>
Balance (Deficit) December 31, 2022		\$	<u><u>559.13</u></u>

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2020	\$ 6,820.80
2021	<u>6,921.60</u>
	<u><u>\$ 13,742.40</u></u>

BOROUGH OF MOUNT EPHRAIM**Trust - Other Funds**Statement of Reserve for Unemployment Compensation
For the Year Ended December 31, 2022

Balance December 31, 2021		\$	6,779.83
Increased by:			
Employee Withholdings	\$	3,727.39	
Interest Earned		<u>11.54</u>	<u>3,738.93</u>
Subtotal			10,518.76
Decreased by:			
Claims Paid			<u>1,799.24</u>
Balance December 31, 2022		\$	<u><u>8,719.52</u></u>

Schedule of Reserve for Escrow Trust Fund
For the Year Ended December 31, 2022

Balance December 31, 2021		\$	154,170.58
Increased by:			
Escrow Deposits	\$	25,681.43	
Interest Earned on Investments		<u>32.23</u>	<u>25,713.66</u>
Decreased by:			
Disbursements			<u>36,988.47</u>
Balance December 31, 2022		\$	<u><u>142,895.77</u></u>

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds

Statement of Reserve for Law Enforcement - Forfeited Funds
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 11,680.07
Increased by:		
Cash Receipts	\$ -	
Interest Earned on Investments	17.48	17.48
		11,697.55
Decreased by:		
Cash Disbursed		-
Balance December 31, 2022		\$ 11,697.55

Schedule of Deposits for Redemption of Tax Sale Certificates
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 52,437.95
Increased by:		
Deposits Received		234,752.34
		287,190.29
Decreased by:		
Refunds - Tax Sale Certificates Redeemed		276,198.27
Balance December 31, 2022		\$ 10,992.02

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
 Statement of Reserve for Tax Sale Premiums
 For the Year Ended December 31, 2022

Balance December 31, 2021	\$	297,400.00
Increased by:		
Cash Receipts		241,200.00
Subtotal		538,600.00
Decreased by:		
Cash Disbursements		225,800.00
Balance December 31, 2022	\$	312,800.00

Statement of Reserve for Off Duty Police
 For the Year Ended December 31, 2022

Balance December 31, 2021	\$	206,532.72
Increased by:		
Cash Receipts	\$ 251,287.80	
Accounts Receivable	25,892.01	277,179.81
Subtotal		483,712.53
Decreased by:		
Cash Disbursements		239,741.83
Balance December 31, 2022	\$	243,970.70

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for Public Defender Fees
For the Year Ended December 31, 2022

Balance December 31, 2021	\$	4,076.08
Increased by:		
Cash Receipts		7,459.00
Subtotal		11,535.08
Decreased by:		
Due to General Fund		-
Balance December 31, 2022	\$	11,535.08

Statement of Reserve for POAA Fees
For the Year Ended December 31, 2022

Balance December 31, 2021	\$	92.16
Increased by:		
Cash Receipts		70.94
Subtotal		163.10
Decreased by:		
Disbursements		0.00
Balance December 31, 2022	\$	163.10

BOROUGH OF MOUNT EPHRAIM
Trust - Other Funds
Statement of Reserve for Police Donations
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 173.32
Increased by:		
Donations	\$ 100.00	
Interest earned	<u>0.31</u>	<u>100.31</u>
Subtotal		273.63
Decreased by:		
Disbursements		<u>-</u>
Balance December 31, 2022		<u><u>\$ 273.63</u></u>

GENERAL CAPITAL FUND

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 1,136,431.82
Receipts:		
Bond Anticipation Notes	\$ -	
Federal and State Grants Receivable	161,358.75	
Budget Appropriation - Capital Improvement Fund	50,000.00	
Reserve for Debt Service	160,510.11	
Due to Current Fund - Interest Earnings	671.00	
Contra	-	372,539.86
Subtotal		1,508,971.68
Disbursements:		
Improvement Authorizations	477,986.59	
Bond Anticipation Notes	-	
Budget Appropriation - Reserve for Debt	342,000.00	
Due from Current Fund	2,980.23	
Due to Current Fund - Interest Earnings	671.00	
Contra	-	823,637.82
Balance December 31, 2022		\$ 685,333.86

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2022

Fund Balance		\$ 4,910.29
Capital Improvement Fund		21,485.10
State Grant Receivable		(317,420.60)
Due from Current Fund		(1,268,292.15)
Due from Federal and State Grant Fund		(428,440.94)
Reserve for Debt Service		1,544,356.15
Due to Current Fund Current Fund		46.87
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
03-2015	Various Improvements	(735.00)
10-2016	Various Capital Improvements and Acquisition of Capital Equipment	106,148.90
07-2018	Various Improvements	332,658.39
01-2019	Various Improvements	29,897.03
08-2019	Various Improvements	58,704.91
13-2020	Various Improvements	101,049.86
1-2021	Acquisition of Trash Truck	14,554.27
6-2021	Environmental Remediation of Cleveland Avenue	35.68
9-2021	Various Improvements	514,811.78
14-2021	Acquisition of Real Property	(50,000.00)
17-2021	Environmental Remediation of Cleveland Avenue	(152,610.40)
01-2022	Reconstruction of Lake Street	151,206.89
04-2022	Acquisition of Real Property	(11,005.65)
05-2022	Various Capital Improvements	33,972.48
	Total	\$ 685,333.86

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 6,700,000.00
Decreased By:	
Serial Bonds Paid	<u>575,000.00</u>
Balance December 31, 2022	<u>\$ 6,125,000.00</u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Funded By Budget Appropriation	Canceled	Transferred to Deferred Taxation Funded	Balance Dec. 31, 2022	ANALYSIS OF BALANCE		
								Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2015-03	Acquisition of Ambulance; Various Improvements to Borough Buildings	\$ 735.00	\$ -	\$ -	\$ -	\$ -	\$ 735.00	\$ -	\$ 735.00	\$ -
2020-19	Acquisition of Real Property	800,000.00					800,000.00	800,000.00		-
2021-14	Acquisition of Real Property	50,000.00					50,000.00		50,000.00	-
2021-17	Environmental Remediation of Cleveland Avenue	285,000.00					285,000.00		153,994.72	131,005.28
2022-01	Reconstruction of Lake Street, Phase II		76,000.00				76,000.00			76,000.00
2022-04	Acquisition of Real Property		50,000.00				50,000.00		11,005.65	38,994.35
2022-05	Acquisition of Various Capital Equipment and Imp.		892,050.00				892,050.00		12,277.52	879,772.48
	Total	\$ 1,135,735.00	\$ 1,018,050.00	\$ -	\$ -	\$ -	\$ 2,153,785.00	\$ 800,000.00	\$ 228,012.89	\$ 1,125,772.11
										Improvement Authorizations Unfunded \$ 1,125,772.11
										Less Unexpended Proceeds of Bond Anticipation Notes Issued: None
										<u>\$ 1,125,772.11</u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 22,435.10
Increased by:	
2022 Budget Appropriation	<u>50,000.00</u>
Subtotal	72,435.10
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>50,950.00</u>
Balance December 31, 2022	<u><u>\$ 21,485.10</u></u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Date	Balance December 31, 2021		Capital Improvement Fund	2022 AUTHORIZATIONS		Paid or Charged	Balance December 31, 2022		
			Amount	Funded		Unfunded	Deferred Charges To Future Taxation - Unfunded		Grants	Funded	Unfunded
2016-10	Various Capital Improvements and Acquisition of Capital Equipment	08/04/16	908,750.00	\$ 108,966.40	\$ -	\$ -	\$ -	\$ 2,817.50	\$ 106,148.90	\$ -	
2018-07	Various Improvement and Acquisitions:										
	Acquisition of Police Department Equipment	07/05/18	21,000.00								
	Acquisition of Public Works Department Equipment	07/05/18	60,000.00								
	Acquisition of Fire Department Equipment	07/05/18	45,000.00								
	Repairs and Reconstruction of Various Borough Roads	07/05/18	74,000.00	50,047.53					50,047.53		
	Repairs and Reconstruction of Various Borough Roads	07/05/18	452,000.00	282,610.86					282,610.86		
2019-01	Various Improvements:										
	Complete Drainage Improvement - Bell Road	04/04/19	350,000.00	43,734.34				27,575.18	16,159.16		
	Reconstruction/Repaving James Street	04/04/19	275,000.00	45,425.63				31,687.76	13,737.87		
2019-08	Various Improvement and Acquisition of Capital Equipment										
	Acquisition of Police Department Equipment	7/8/2019	110,000.00								
	Acquisition of Public Works Department Equipment	7/8/2019	10,000.00								
	Acquisition of Fire Department Equipment	7/8/2019	30,000.00	30,000.00				30,000.00			
	Acquisition of Emergency Management Equipment	7/8/2019	45,000.00	828.83					828.83		
	Drainage improvements - Bell and James Road	7/8/2019	60,000.00	35,164.76					35,164.76		
	Various Improvements to Municipal Building	7/8/2019	45,000.00	25,400.61				2,689.29	22,711.32		
2020-13	Various Capital Improvements										
	2019 Road Program - Idora and Charles Streets	08/06/20	225,000.00	46,570.43				4,122.50	42,447.93		
	2020 Road Program - Linden and Adams Streets	08/06/20	245,279.00	59,587.21				1,092.50	58,494.71		
	Repair of Various Borough Roads	08/06/20	40,000.00	107.22					107.22		
2021-01	Acquisition of Trash Truck	02/04/21	100,000.00	14,554.27						14,554.27	
2021-06	Environmental Remediation of Cleveland Avenue	06/03/21	25,000.00	2,617.28				2,617.28			
2021-09	Various Capital Improvements										
	Fire Equipment	07/01/21	150,000.00	67,628.77				67,628.77			
	Acquisition of Police Equipment	07/01/21	21,000.00	21,000.00					21,000.00		
	Repair and Reconstruction of Various Roads	07/01/21	519,000.00	511,786.50				30,917.48	480,869.02		
	Reconstruction or Repaving of James Street	07/01/21	20,000.00	17,930.00				4,987.24	12,942.76		
2021-14	Acquisition of Real Property	09/02/21	50,000.00		5,576.59			5,576.59			
2021-17	Environmental Remediation of Cleveland Avenue	09/02/21	300,000.00	6,923.50	285,000.00			160,918.22		131,005.28	
2022-01	Reconstruction of Lake Street	03/03/22	310,000.00			4,000.00	76,000.00	230,000.00	82,793.11	151,206.89	76,000.00
2022-04	Acquisition of Real Property	07/07/22	50,000.00				50,000.00		11,005.65		38,994.35
2022-05	Various Capital Improvements										
	Various Improvements to Municipal Building	07/07/22	14,000.00			700.00	13,300.00		12,977.52		1,022.48
	Acquisition of a Fire Engine		750,000.00			37,500.00	712,500.00			37,500.00	712,500.00
	Acquisition of an Ambulance		175,000.00			8,750.00	166,250.00			8,750.00	166,250.00
	Total			<u>\$ 1,370,884.14</u>	<u>\$ 290,576.59</u>	<u>\$ 50,950.00</u>	<u>\$ 1,018,050.00</u>	<u>\$ 230,000.00</u>	<u>\$ 479,406.59</u>	<u>\$ 1,355,282.03</u>	<u>\$ 1,125,772.11</u>
	Due from Current Fund							\$ (2,980.23)			
	Encumbrances Payable							1,420.00			
	Cash Disbursed							480,966.82			
								<u>\$ 479,406.59</u>			

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2022

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
19-2020	Acquisition of Real Property	1/28/2021	1/28/2021	1/27/2022	0.74%	\$ 800,000.00	\$ -	\$ 800,000.00	\$ -
19-2020	Acquisition of Real Property	1/28/2021	1/26/2022	1/25/2023	0.65%	<u>800,000.00</u>	<u>800,000.00</u>	<u>800,000.00</u>	<u>800,000.00</u>
						<u>\$ 800,000.00</u>	<u>\$ 800,000.00</u>	<u>\$ 800,000.00</u>	<u>\$ 800,000.00</u>
					Issued for Cash		\$ -	\$ -	
					Paid by Current Budget Appropriation		-	-	
					Renewals		<u>800,000.00</u>	<u>800,000.00</u>	
					Total		<u>\$ 800,000.00</u>	<u>\$ 800,000.00</u>	

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
 Statement of Financed Purchase Obligations
 For the Year Ended December 31, 2022

<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, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Capital Lease	12/21/14	\$ 432,000.00	12/15/23	\$ 46,000.00	4.00%	\$ 189,000.00	\$ -	\$ 45,000.00	\$ 144,000.00
			12/15/24	48,000.00	4.00%				
			12/15/25	50,000.00	4.00%				
						<u>\$ 189,000.00</u>	<u>\$ -</u>	<u>\$ 45,000.00</u>	<u>\$ 144,000.00</u>

BOROUGH OF MOUNT EPHRAIM
General Capital Fund
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Serial Bonds Issued</u>	<u>Balance Dec. 31, 2022</u>
2015-03	Various Capital Improvements	\$ 735.00	\$ -	\$ -	\$ -	\$ 735.00
2021-14	Acquisition of Real property	50,000.00				50,000.00
2021-17	Environmental Remediation of Cleveland Avenue	285,000.00				285,000.00
2022-01	Reconstruction of Lake Street, Phase II		76,000.00			76,000.00
2022-04	Acquisition of Real Property		50,000.00			50,000.00
2022-05	Acquisition of Various Capital Equipment and Imp		892,050.00			892,050.00
	Total	<u>\$ 335,735.00</u>	<u>\$ 1,018,050.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,353,785.00</u>

BOROUGH OF MOUNT EPHRAIM

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2022

**BOROUGH OF MOUNT EPHRAIM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:		Unmodified		
<hr style="border: 0.5px solid black;"/>				
Internal control over financial reporting:				
1) Material weaknesses identified?	_____	yes	_____ X _____	no
2) Were reportable conditions identified that were not considered to be material weaknesses?	_____	yes	_____ X _____	none reported
Noncompliance material to financial statements noted?	_____	yes	_____ X _____	no

Federal Awards

A Federal Single Audit was not required

State Awards

A State Single Audit was not required

BOROUGH OF MOUNT EPHRAIM
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

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.

No Findings Identified

BOROUGH OF MOUNT EPHRAIM
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

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 15-08.

FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

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>Term</u>	<u>Amount of Coverage</u>	<u>Name Of Surety</u>
Michael Tovinsky	Mayor	2023		
Joseph Wolk	Commissioner	2023		
George Gies	Commissioner	2023		
Terry Shannon	Borough Clerk		\$1,000,000.00	(A)
Paul Thomas	Chief Financial Officer		\$1,000,000.00	(A)
Kim Beebe	Tax Collector		\$1,000,000.00	(A)
Tara Weiss	Registrar of Vital Statistics		\$1,000,000.00	(A)
Tara Weiss	Construction Clerk		\$1,000,000.00	(A)
Steven R. Beach	Construction Code Official		\$1,000,000.00	(A)
Brian Schneider	Tax Assessor		\$1,000,000.00	(A)

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

ACKNOWLEDGMENT

I express my appreciation for the assistance and courtesies extended to the audit team by the Borough Officials during the course of the audit.

Respectfully submitted,

INVERSO & STEWART, LLC

A handwritten signature in black ink, appearing to read "R. P. Inverso". The signature is written in a cursive, flowing style.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

July 31, 2023