

**CAMDEN COUNTY
MUNICIPAL UTILITIES AUTHORITY**

REPORT OF AUDIT

**WITH
SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDING
DECEMBER 31, 2010 and 2009**



CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
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**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Roster of Officials
December 31, 2010**

Commissioners

Doreen A. Dixon
James MacFarlane
Herman B. Engelbert
John Biondi
Dorothy A. Burley
Nicholas Lauritotil 12/13/10
Martin McKernan, Jr.
Jeffrey Swartz
K. K. Wu

Position

Chairperson
Vice – Chairperson
Treasurer
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner

Other Officials

Mark Lonetto
Andrew Kricun

Helen Albright Troxell
Sandra Cevallos til 10/1/10
Kim Michelini from 12/20/10
John F. Werner
Robert Cornforth
John J. Connolly, Jr.

Laurence E. Rosoff, Esquire
Bank of New York (NJ)

Position

Executive Director
Deputy Executive Director/
Chief Engineer
Authority Secretary
Assistant Authority Secretary
Assistant Authority Secretary
Chief Financial Officer
Director of Operations & Maintenance
Assistant Director of Operations &
Maintenance
Solicitor
Trustee

**CAMDEN COUNTY
MUNICIPAL UTILITIES AUTHORITY**

PART 1

FINANCIAL SECTION

**FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

INDEPENDENT AUDITOR'S REPORT

The Chairwoman and Commissioners of the
Camden County Municipal Utilities Authority
Camden, New Jersey 08101

We have audited the accompanying statements of net assets of the Camden County Municipal Utilities Authority, State of New Jersey, a component unit of the County of Camden, as of December 31, 2010 and 2009, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Camden County Municipal Utilities Authority as of December 31, 2010 and 2009 and the respective changes in financial position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated April 29, 2011 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in assessing the results of our audits.

The accompanying management's discussion and analysis and Schedule of Funding Progress for the OPEB plan and Schedule of Employer Contributions as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. In addition, the supplemental exhibits are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
April 29, 2011

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

The Chairwoman and Commissioners of the
Camden County Municipal Utilities Authority
Camden, New Jersey 08101

We have audited the financial statements of the Camden County Municipal Utilities Authority, in the State of New Jersey, a component unit of the County of Camden, as of and for the year ended December 31, 2010, and have issued our report thereon dated April 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Camden County Municipal Utilities Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey.

This report is intended solely for the information and use of the Chairwoman, Commissioners and management of the Authority, the Local Finance Board, Department of Community Affairs, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
April 29, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION TO THE ANNUAL REPORT

The following Management's Discussion and Analysis (MD&A) of the Camden County Municipal Utilities Authority provides an introduction to the financial statements of the Authority for the Fiscal year ended December 31, 2010. The financial section of the annual report consists of three sections: Management's Discussion and Analysis (this section), the basic financial statements together with the notes thereto, and supplemental information. The financial statements section provides comparisons between current and prior years' results as well as budgeted and actual results on a supplemental schedule.

The Authority's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America, promulgated by the Governmental Accounting Standards Board. The Authority is structured as a single enterprise fund with revenues recognized when earned and expenses recognized when incurred. Capital assets are capitalized and depreciated over their useful lives (with the exception of land and construction in progress). See notes to the financial statements for a summary of the Authority's significant accounting policies.

THE FINANCIAL STATEMENTS INCLUDE:

The "Statements of Net Assets" provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority's creditors (liabilities) with the difference reported as net assets.

The "Statement of Revenues, Expenses and Changes in Net Assets" accounts for all of the current year's revenues and expenses, measures the success of the Authority's operations over the past two years and can be used to determine how the Agency has funded its costs.

The "Statement of Cash Flows" provides information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

The "Notes to Financial Statements" contains information that is essential to understanding the basic financial statements, such as the Authority's accounting methods and policies. The details of contractual obligations and future commitments and contingencies of the Authority are also included. Likewise, any other events or developing situations that could materially affect the Authority's financial position are noted.

REQUIRED SUPPLEMENTARY INFORMATION:

The "Schedule of Funding Progress for the OPEB Plan", "Schedule of Employer Contributions" and "Notes to Required Supplementary Information" are presented as Required Supplementary Information as required by GASB No.45. The Schedules and notes provided information that was abstracted from the actuarial valuation reported that was prepared by AON.

SUPPLEMENTARY INFORMATION:

This section provides presentations of the Authority's financial information in accordance with the requirements of the various Bond Resolutions.

MANAGEMENT'S DISCUSSION AND ANALYSIS:

This section of the Authority's financial statements, the Management's Discussion and Analyses (MD&A), presents an overview of the Authority's financial performance during the year ended December 31, 2010 compared to December 31, 2009 and December 31, 2008. It provides an assessment of how the Authority's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Authority's overall financial position. It may contain opinions, assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements described above.

SUMMARY OF FINANCIAL POSITION:

ASSETS:	2010	2009	2008
Unrestricted Assets	\$ 31,504,401	\$ 36,672,807	\$ 24,423,429
Restricted Assets	143,987,956	165,952,154	198,980,917
Plant, Property & Equipment (Net of Depreciation)	492,377,382	471,276,154	467,393,208
Other Assets	10,055,074	10,462,949	11,550,157
Total Assets	677,924,813	684,364,064	702,347,711
LIABILITIES:			
Current Liabilities	75,801,484	78,439,479	65,834,531
Long Term Liabilities	376,562,158	390,711,009	429,437,080
Total Liabilities	452,363,642	469,150,488	495,271,611
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	139,916,465	104,143,915	66,150,470
Restricted for Bond Resolution Covenants	76,305,071	95,364,382	127,206,360
Unrestricted	9,339,635	15,705,279	13,719,270
Total Net Assets	\$ 225,561,171	\$ 215,213,576	\$ 207,076,100

CHANGES IN NET ASSETS:

The Authority's net assets increased by 4.81% from 2009 and increased from 2008 by 8.92%. The increase from 2009 and 2008 was due to the increase in the Invested Capital Assets, Net of Related Debt and a decrease in Long-term Liabilities of 3.62% in 2009 and 12.3% from 2008. The Authority uses its Capital Assets to provide Wastewater Treatment Service to the residents of Camden County.

Unrestricted Assets showed a decrease of 14.1% from the prior year due to a decrease in Cash and Cash Equivalents. There was an increase of 29.0% from 2008 due to an increase in Due from State of NJ for capital projects.

The Authority's Bond Resolutions and the State Regulations govern restricted assets. The Category Restricted Assets decreased by 13.2% from 2009 and a 27.6% reduction in 2008 due to the decrease in Cash and Cash Equivalents and Investments. This results from utilizing our Special Reserve Fund almost exclusively for paying down the Authority debt. This decrease was enhanced by a decrease in Cash Held with Fiscal Agent for both comparative years. This restricted category will continue to decrease because of the use of the Special Reserve Fund to pay down debt in accordance with our bond resolutions.

Long -term Liabilities shows decrease caused by a reduction in our outstanding bonds since we continue paying down our principal for the outstanding bonds. The Authority continues to reduce its outstanding debt from its User Revenues and the Special Reserve Fund as required by the Bond Resolution.

OPERATING REVENUES:	2010	2009	2008
User Charges & Fees	\$ 72,675,650	\$ 72,502,405	\$ 72,209,283
Other Revenue	4,557,781	6,750,979	3,231,908
Total Operating Revenue	77,233,431	79,253,384	75,441,191
OPERATING EXPENSES:			
Cost of Providing Service	27,304,002	26,927,760	27,218,745
Administrative	6,468,569	6,704,789	5,466,028
Depreciation	16,738,503	16,476,770	14,565,207
Total Operating Expenses	50,511,074	50,109,319	47,249,980
OPERATING INCOME	26,722,357	29,144,065	28,191,211

CHANGES IN NET ASSETS (CONT'D):

	2010	2009	2008
NON-OPERATING REVENUES AND (EXPENSES):			
Investment Income	\$ 4,723,545	\$ 5,833,729	\$ 4,457,001
Interest Expense	(23,093,236)	(25,131,383)	(27,689,026)
Contribution to the County of Camden	(3,151,056)		
Net Loss on Disposition of Fixed Assets, Net Gain on Investments, Amortization & Prior year Expenditures	(2,026,855)	(1,758,935)	(1,183,915)
TOTAL NON-OPERATING ITEMS	(23,547,602)	(21,006,589)	(24,342,743)
Income Before Contributions	3,174,75	8,137,476	3,848,468
Capital Contributions	7,172,840		
Increase (Decrease) in Net Assets	10,347,595	8,137,476	3,848,468
Total Net Assets, Jan.1	215,213,576	207,076,100	203,227,632
Total Net Assets, Dec.31	\$ 225,561,171	\$ 215,213,576	\$ 207,076,100

Total Operating Revenue showed an overall 2.55 % decrease from 2009 and a 2.38% increase from 2008 financial statements. The decrease from 2009 resulted from less Connection Fee income. The increase from 2008 resulted from additional Connection Fee income. However we continue to add billing units reflected in the growth of User Charges & Fees both from 2009 and 2008 resulting from the additional growth in connections to the wastewater system.

The Authority's total Operating Expenses increased by .80% from 2009 and increased by 6.90% from 2008 primarily caused by an increase in Administration expense in Benefits costs and Depreciation expense from 2009 and the 14.9% increase in Depreciation expense from 2008. In addition, a decrease in the Cost of Providing Service under Other Expenses showed a reduction of 2.5% from 2008 helped to hold the Total Operating expenses in check. The Cost of Providing Service increased by 1.40% from 2009 and increased by 0.31% from 2008. The increase in cost from 2009 and 2008 both came about from higher maintenance costs and higher utilities costs.

Non-operating Revenue (Expenses) increased by 12.10% compared to 2009 but decrease by 3.27% from 2008 due to the decrease in interest expense as the bonds outstanding grow closer to maturity less interest is paid and more principal is paid. Likewise a Contribution to the County of Camden also increased our Non-operating Expenses.

CHANGES IN NET ASSETS (CONT'D):

While the same total debt service continues, the split between interest and principal changes. Further, there was a \$ 7,172,840 Capital contribution from a Grant for the Ancora Pump station and another grant for our Bio-Filter Project at our treatment plant.

Total Net Assets increased by 4.81% from 2009 and increased from 2008 by 8.93%.

BUDGETARY HIGHLIGHTS

The Camden County Municipal Utilities Authority must adopt a Budget in accordance with N.J.A.C. 5:31-2. The Budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Significant variances between the original adopted budget and the actual expenditure amounts fall within two categories of favorable and unfavorable.

The Authority's Operating Revenue was 1.08% below our planned Operating Revenue. This resulted from lower Connection Fees than was Budgeted this results from a depressed housing market and the overall recession in the general economy. This unfavorable variance resulted in a 2.55% decrease of Total Operating Revenue. In addition there was an unfavorable variance in Operating Appropriations under Fringe Benefits of 7.25% increase in costs caused by Other Post Employment Benefits accrual resulting from GASB #45. This is a non-cash item. Other unfavorable variances in the Cost of Providing Services occurred in Salaries & Wages due to overtime costs. In addition an another unfavorable budget variance occurred under Cost of Providing Services in Other Expenses which was caused from Utilities, Sludge disposal Costs and Professional Services costs being higher than planned. Likewise, Total Operating Appropriations had an unfavorable variance by 3.61% due to higher than planned Administration and Cost of Providing Services costs.

DEBT ADMINISTRATION

During fiscal year 2010 the Authority continued to pay down its outstanding debt from operating revenues and using the Special Reserve Fund. In addition, this past year the Authority borrowed from the New Jersey Environmental Infrastructure Trust \$ 8,317,000 for the Bio-Filter Project. In addition, there was \$ 4,142,000 forgiveness of loan principal as a result of the American Recovery and Reinvestment Act of 2009 funding awarded to the Authority. Likewise, the Authority borrowed an additional \$ 19,732,980 from the NJEIT for additional funding for the Sludge Dryer project, the Bio-Filter project and the Aeration Tank project. These projects are part of the continuing improvements to the wastewater treatment system.

CAPITAL IMPROVEMENTS AND CONSTRUCTION ACTIVITY

A) Wastewater Treatment Plant----In 2010, the CCMUA continued construction of three major improvements to the treatment plant. These projects are:

--- Installation of a new sludge drying facility. The facility will process all of the CCMUA's sludge and will significantly reduce the plant's sludge disposal costs and also its odor potential as well. This project will cost about \$30 million and is being funded through the NJ Environmental Infrastructure Trust. It is expected to be in full operation in 2011.

--- Installation of upgrades to the plant's pure oxygen facility. This facility will replace the existing pure oxygen system which was completed in 1987 and had reached the end of its useful life. This project will cost about \$12 million and is also being funded through the NJ Environmental Infrastructure Trust. It will be completed by the end of 2011 and will result in a significant reduction in the plant's energy usage.

--- Installation of a new odor control facility to replace existing chemical scrubbers which have reached the end of their useful life. The new odor control system will treat a wider range of odorous contaminants and will also be more reliable. It will cost about \$10 million and is being funded through the NJ Environmental Infrastructure Trust. The project will be completed in 2011.

B) Interceptor System---- the CCMUA continued to pursue the necessary approvals and funding to construct an expansion of its regional sewer system to provide additional sewer service to the southern end of Camden County (Berlin Township, Berlin Borough, Chesilhurst, Pine Hill, Waterford Township and Winslow Township). This project will also result in the elimination of the CCMUA's Sicklerville Sewage Treatment Plant. Elimination of that plant's O+M costs, plus the annual sewer revenue from the additional capacity made available, will help to offset the cost of this project. The CCMUA estimates that the cost of the project will be about \$ 45 million and it is pursuing funding from the New Jersey Environmental Infrastructure Trust.

C) Miscellaneous----

The CCMUA has been working on improvements to the water and sewer systems of the Camden City Central Gateway area, at the request of the State of NJ and the County of Camden. The CCMUA has obtained funding from the United States Economic Development Authority (USEDA), Delaware River Port Authority (DRPA) and the NJ Environmental Infrastructure Trust to pay for the cost of this project. The purpose of the project is to restore the economic viability of this section of Camden City, thereby encouraging Campbell Soup to stay in the City and to encourage other investors.

The CCMUA also constructed a new force main and pump station, at the request of the State of New Jersey, to eliminate the failing Ancora Wastewater Treatment Plant in Winslow Township. The project was funded entirely through a Pinelands Infrastructure Trust grant given to the CCMUA to reimburse it for its costs. The project eliminated a significant environmental problem within the Pinelands National Reserve and also brought in approximately \$350,000 per year in new revenue for the CCMUA.

CAPITAL IMPROVEMENTS AND CONSTRUCTION ACTIVITY (CONT'D)

Lastly, the CCMUA is also upgrading Camden City and Gloucester City's combined sewer systems, also at the request of the State. The total project cost is estimated at about \$22 million. At the end of 2010, the CCMUA had upgraded 23 of the 35 combined sewer overflow systems and was awaiting NJDEP approval to upgrade the remaining 12. This project is being funded through the NJ Environmental Infrastructure Trust.

FACTORS BEARING ON THE AUTHORITY'S FUTURE FINANCIAL POSITION

In general, the CCMUA's approach has been to implement capital improvements to reduce Operations and Maintenance costs, and then utilize the NJ Environmental Infrastructure Trust program, which provides 75% interest free financing, to minimize the additional debt service such that the O&M cost savings is greater than or equal to the marginal debt service incurred. In this way, the CCMUA has been able to upgrade its plant without having rate impacts. Likewise we remain very sensitive and aware of the potential for odors in our present plant location. In addition, these projects will reduce our maintenance cost and improve water quality performance.

The Combined Sewer Overflow project for the City of Camden and the city of Gloucester is part of the official original facilities plan presented in the Service agreement with the municipalities of Camden County. This project is under way and the funding for this activity has been granted by the New Jersey Environmental Infrastructure Trust.

Further, the Authority continues to anticipate additional connection and user fees from additional growth throughout Camden County. While the economic picture for Camden County is still positive, a slowdown of the economic growth compared to the past few years is quite obvious.

ADDITIONAL FINANCIAL INFORMATION

This Financial Report is designed to provide the Authority's customers, investors and other interested parties with an overview of the Authority's Financial Operations and Financial condition. Should the reader have questions regarding the information contained in this report or wish to request additional financial information, please contact the Treasurer at 1645 Ferry Avenue, Camden, New Jersey 08104.

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Comparative Statements of Net Assets
 As of December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 9,434,804	\$ 14,655,904
Accounts Receivable	9,793,580	9,085,729
Interest Receivable	43	57
Due from State of New Jersey -- NJEIT Receivable	5,439,275	3,286,925
Due from State of New Jersey -- USEDA Central Gateway Project	3,348,000	3,348,000
Due from State of New Jersey -- Pinelands Infrastructure Trust - Ancora Project	3,366,090	5,906,088
Other	122,609	390,104
Total Unrestricted Assets	<u>31,504,401</u>	<u>36,672,807</u>
Restricted Assets:		
Cash and Cash Equivalents	51,361,480	61,485,823
Cash Held by Fiscal Agent	22,352,358	24,727,869
Investments	70,100,723	79,630,070
Interest Receivable	173,395	108,392
Total Restricted Assets	<u>143,987,956</u>	<u>165,952,154</u>
Total Current Assets	<u>175,492,357</u>	<u>202,624,961</u>
Noncurrent Assets:		
Property, Plant and Equipment:		
Utility Plant:		
In Service, Net of Accumulated Depreciation	438,688,268	434,441,734
Under Construction	42,045,854	23,620,468
Other, Net of Accumulated Depreciation	11,643,260	13,213,952
Total Property, Plant and Equipment	<u>492,377,382</u>	<u>471,276,154</u>
Deferred Assets, Net of Amortization:		
Preoperating Costs	1,867,271	2,390,130
Debt Financing Costs	8,187,803	8,072,819
Total Deferred Assets	<u>10,055,074</u>	<u>10,462,949</u>
Total Noncurrent Assets	<u>502,432,456</u>	<u>481,739,103</u>
Total Assets	<u>677,924,813</u>	<u>684,364,064</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Comparative Statements of Net Assets
As of December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	\$ 6,410,465	\$ 4,264,172
Accrued Expenses	1,506,711	1,163,894
Deferred Revenue:		
City of Camden Central Gateway Project	7,129	7,129
USEDA Grant for Central Gateway Project	2,234,285	3,348,000
Pinelands Infrastructure Trust - Ancora Project	3,366,090	5,906,088
Clean Water Enforcement Act	2,614,685	2,579,577
Deferred Interest Revenue	263,277	287,934
	<hr/>	<hr/>
Total Current Liabilities Payable from Unrestricted Assets	16,402,642	17,556,794
Current Liabilities Payable from Restricted Assets:		
Retainages Payable	1,118,451	636,433
Current Maturities of Long-Term Debt	54,714,147	56,373,081
Accrued Interest Payable	3,566,244	3,873,171
	<hr/>	<hr/>
Total Current Liabilities Payable from Restricted Assets	59,398,842	60,882,685
Long-Term Liabilities Payable:		
Deferred Interest Revenue	1,300,455	1,563,732
Net OPEB Obligation	4,469,077	3,198,564
Long-term Debt	370,792,626	385,948,713
	<hr/>	<hr/>
Total Long-Term Liabilities	376,562,158	390,711,009
	<hr/>	<hr/>
Total Liabilities	452,363,642	469,150,488
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	139,916,465	104,143,915
Restricted for Bond Resolution Covenants	76,305,071	95,364,382
Unrestricted	9,339,635	15,705,279
	<hr/>	<hr/>
Total Net Assets	\$ 225,561,171	\$ 215,213,576
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The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Comparative Statements of Revenues, Expenses and Changes in Net Assets
 For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues:		
User Charges and Fees	\$ 72,675,650	\$ 72,502,405
Connection Fees	2,840,993	4,486,705
Other	1,716,788	2,264,274
Total Operating Revenues	<u>77,233,431</u>	<u>79,253,384</u>
Operating Expenses:		
Administration:		
Salary & Wages	1,978,718	2,007,181
Fringe Benefits	3,019,957	2,992,202
Other Expenses	1,469,894	1,705,406
Cost of Providing Services:		
Salary & Wages	6,981,565	6,729,084
Fringe Benefits	2,080,270	2,067,158
Other Expenses	18,242,167	18,131,518
Depreciation	16,738,503	16,476,770
Total Operating Expenses	<u>50,511,074</u>	<u>50,109,319</u>
Operating Income	<u>26,722,357</u>	<u>29,144,065</u>
Non-operating Revenues (Expenses):		
Investment Income	4,723,545	5,883,729
Interest Expense	(23,093,236)	(25,131,383)
Contribution to the County of Camden	(3,151,056)	
Amortization of Deferred Charges and Bond Issuance Costs	(1,587,498)	(1,779,495)
Disposition of Property, Plant and Equipment		(12,818)
Community Service Projects	(575,212)	
Prior Year Revenue and Expenditures	135,855	33,378
Total Non-operating Revenues (Expenses)	<u>(23,547,602)</u>	<u>(21,006,589)</u>
Income Before Contributions	3,174,755	8,137,476
Capital Contributions	<u>7,172,840</u>	
Change in Net Assets	10,347,595	8,137,476
Net Assets, January 1	<u>215,213,576</u>	<u>207,076,100</u>
Net Assets, December 31	<u>\$ 225,561,171</u>	<u>\$ 215,213,576</u>

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

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Comparative Statements of Cash Flows
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 71,967,799	\$ 72,019,248
Other Operating Receipts	5,714,319	5,278,103
Payments to Suppliers	(25,612,022)	(23,474,070)
Payments to Employees	(8,960,283)	(8,736,265)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	43,109,813	45,087,016
Cash Flows from Capital and Related Financing Activities:		
Principal Paid on Bonds	(35,350,155)	(28,635,814)
Payments of Defeased Bonds	(10,490,000)	
Interest Paid on Bonds	(33,397,810)	(34,026,358)
Proceeds from Issuance of Long Term Debt	30,425,491	13,133,580
Proceeds from Refunding Bonds	10,333,072	
Net Premium on Refunding Bonds	639,729	
Bond Issuance Costs	(1,179,623)	(2,386)
Payment of Contribution to County of Camden	(3,151,056)	
Acquisition and Construction of Capital Assets	(37,357,713)	(20,152,398)
Proceeds of Capital Contributions	7,172,840	
	<hr/>	<hr/>
Net Cash (Used in) Capital and Related Financing Activities	(72,355,225)	(69,683,376)
Cash Flows from Investing Activities:		
Investment Income	4,115,225	4,166,805
Deferred Interest Revenue	(287,934)	(299,747)
Purchase of Investments		(12,974,585)
Redemption of Investments	10,072,678	
	<hr/>	<hr/>
Net Cash Provided by (Used in) Investing Activities	13,899,969	(9,107,527)
Net Decrease in Cash and Cash Equivalents	(15,345,443)	(33,703,887)
Cash and Cash Equivalents - January 1	76,141,727	109,845,614
	<hr/>	<hr/>
Cash and Cash Equivalents - December 31	\$ 60,796,284	\$ 76,141,727
	<hr/>	<hr/>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Comparative Statements of Cash Flows
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities:		
Operating Income	\$ 26,722,357	\$ 29,144,065
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	16,738,503	16,476,770
Community Service Projects	(575,212)	-
Prior Year Revenues	501,395	156,452
Refund of Prior Year Revenues	-	(12,253)
Prior Year Expenditures	(365,540)	(110,821)
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(707,851)	(483,157)
(Increase) Decrease in Other Unrestricted Assets	267,495	38,291
(Increase) Decrease in Grant & Loan Receivable	387,648	(1,667,619)
Increase (Decrease) in Unrestricted Accounts Payable, Accrued Expenses and Deferred Revenues	(1,164,603)	151,219
Increase (Decrease) in Deferred Revenue for Clean Water Enforcement Act	35,108	56,610
Increase in Net OPEB Obligation	1,270,513	1,337,459
Net Cash Provided by Operating Activities	<u>\$ 43,109,813</u>	<u>\$ 45,087,016</u>

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

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Notes to Financial Statements
For the Year Ended December 31, 2010

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Reporting Entity**

The Camden County Municipal Utilities Authority (the "Authority"), a public body politic and corporate of the State of New Jersey, was created by an ordinance duly adopted on March 15, 1972, by the Board of Chosen Freeholders of the County of Camden, State of New Jersey.

The Authority was created to acquire, construct, maintain and operate facilities for the collection, treatment, purification or disposal of sewerage or other wastes for the relief of waters in, bordering or entering the County of Camden (the "County") from pollution or threatened pollution and for improvement of conditions affecting the public health.

The Authority has entered into a service agreement with its member municipalities within the County. The Authority bills and collects its revenue from the users of the system sufficient to pay or provide for the expenses of operation, repair and maintenance of the system, debt service, deficits (if any), and maintain reserves and sinking funds as may be required.

The County is obligated to pay the Authority, pursuant to a Deficiency Agreement, any annual charges equal to any deficits in revenues necessary to pay or provide for (i) operation and maintenance expenses, (ii) principal and interest payments on bonds and notes in an aggregate principal amount not to exceed \$685,500,000 and (iii) the maintenance of reserves required under the Bond Resolution securing the Authority's bonds and notes.

Component Unit

The Authority is a component unit of the County as described in Governmental Accounting Standards Board Statement No. 14. These financial statements would be either blended or discreetly presented as part of the County's financial statements if the County reported using accounting principles generally accepted in the United States of America applicable to governmental entities.

Basis of Presentation

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

Basis of Accounting

Enterprise funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Sewer service charges are recognized as revenue when services are provided.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Governmental Accounting Standards Board - Statement No. 20**

The Authority is required to follow all statements of the Governmental Accounting Standards Board (GASB). GASB Statement No. 20 was issued to give guidance in determining Generally Accepted Accounting Principles (GAAP) for governmental proprietary funds. It provides that all proprietary fund activities follow all Financial Accounting Standards Board (FASB) Statements issued prior to November 30, 1989, unless they conflict with GASB standards. It also provides that the governmental unit must elect whether to follow FASB Statements after that date.

The Authority has elected not to follow any FASB pronouncements issued after November 30, 1989.

Budgets and Budgetary Accounting

The Authority must adopt an annual budget in accordance with N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Authority's fiscal year. The governing body may amend the budget at any point during the year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, amortization of bond issuance costs, bond discounts and deferred amounts on defeasance are not included in budget appropriations.

The legal level of budgetary control is established at the detail shown on the Schedule of Revenues, Expenses and Changes in Net Assets. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over expended. The Authority adopted an amending resolution during the year.

The Authority records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at market value.

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

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

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

Cash, Cash Equivalents and Investments (Cont'd)

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

Inventory

Inventory consists principally of chemicals for the treatment of water, sewerage and sludge. The Authority has determined that the inventories were immaterial and are not recorded in the financial statements.

Property, Plant and Equipment

Property, Plant and Equipment primarily consists of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets are stated at actual or estimated historical costs.

Costs of uncompleted projects are recorded as Utility Plant - Under Construction. In the year that the project is completed, these costs are transferred to Utility Plant - In Service.

Expenditures are capitalized when they meet the following requirements:

- 1) Cost of \$5,000 or more
- 2) Useful life of more than one year
- 3) Asset is not affected by consumption

Interest costs incurred during construction are capitalized into the cost of the asset.

Depreciation

Depreciation is taken beginning in the month of acquisition. Depreciation is provided using the straight-line method over the following estimated useful lives of the assets:

	<u>Years</u>
Plant	50
Interceptors	75
Heavy Duty Vehicles	10
Office Furniture and Equipment	10
Other	5

Debt Issuance Costs, Bond Discounts, Bond Premiums and Deferred Loss on Defeasance

Debt issuance costs, bond discounts, bond premiums and deferred loss on defeasance are deferred and amortized over the term of the bonds using the straight-line method. Bond discounts, bond premiums and deferred loss of defeasance are presented as a reduction of the face amount of the revenue bonds payable whereas debt issuance costs are recorded as other assets.

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

Net assets comprise the various earnings from operating income, nonoperating revenues, expenses, and capital contributions. Net assets are classified in the following three components:

Invested in Capital Assets, net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted - This component of net assets consists of external constraints imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation, that restricts the use of net assets.

Unrestricted - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." This component includes net assets that may be allocated for specific purposes by the Board.

Income Taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from sewer collection facilities (e.g., user service charges and connection fees) and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities.

Operating expenses include expenses associated with the operation, maintenance and repair of the treatment system and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt and contributions to the County of Camden.

Use of Estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets, liabilities and revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results may differ from those estimates.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**Compliance with finance related legal and contractual provisions**

The management of the Authority is not aware of any material violations of finance related legal and contractual provisions.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)

General Bond Resolution

The Authority is subject to the provisions and restrictions of the 1987 Sewer Revenue Bond Resolution adopted May 26, 1987 and all subsequent supplemental resolutions. An Amended and Restated Sewer Revenue Bond Resolution was adopted on October 10, 1995, in order to consolidate all previous supplemental resolutions to date. A summary of the activities of each fund created by the Bond Resolution is covered below.

Revenue Fund - The Revenue Fund accounts for resources and expenditures of a general nature. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the excess funds may be used by the Authority for any lawful purpose.

Debt Service – The Debt Service Fund must maintain a balance on deposit sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds, principal amounts maturing on bonds and sinking fund installments when such payments are required.

Debt Service Reserve Fund – The amount of funds on deposit must be maintained at a level equal to Maximum Debt Service to insure funds are available for payment of debt service.

Renewal and Replacement Fund – These funds are maintained for reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements or maintenance items of a type not recurring annually.

Construction Account – The Construction Fund is held by the Trustee and shall be applied to pay the cost of projects and is pledged, pending application to such costs, for the security of the payment of principal and interest on the Sewer Revenue Bonds.

Special Reserve Fund – The Special Reserve Fund accounts for funds in accordance with the Special Reserve Fund Deposit Requirement. (Refer to Note 4 – Special Reserve Fund for a more detailed description)

Excess Expenditures over Appropriations

The following appropriation categories had expenditures that exceeded appropriations for the year ended December 31, 2010:

<u>Category</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Excess</u>
Administration:			
Fringe Benefits	\$ 1,637,920	\$ 3,019,957	\$ 1,382,037
Cost of Providing Services:			
Salary & Wages	6,519,761	6,981,565	461,804
Other Expenses	17,009,177	18,242,167	1,232,990
Total Interest Payments on Debt Service	32,896,590	33,397,810	501,220

The excess expenditures over appropriations in the Administration classification resulted from increased payments required for workmen’s compensation payments, professional services for legal fees, management consultants and billing and collections, and GASB 45 required booking an expense and liability which are not required to be funded. Likewise, during 2010 the Authority’s costs for overtime caused expenditures to rise above appropriations. The excess for Interest Payments on Debt Service is the result of accrued interest on several NJEIT bond issued during 2010.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**Debt Service Coverage**

Section 4.01 of the Amended and Restated Bond Resolution adopted October 10, 1995 requires certain ratios of Net Revenues at least equal to 1.00 times the Debt Service Requirements of Bonds within the coverage of the County Agreement for such Bond Year. Pursuant to the understanding at the time of issuance of the Sewer Revenue Capital Appreciation Bonds any accretion in value of the Capital Appreciation Bonds above the original principal amount of the Bonds at initial issuance is treated as accreted interest for the purpose of defining coverage within the County Agreement.

Compliance with this covenant is calculated as follows:

<u>1995 Bond Resolution</u>	<u>Bond Year Ending December 31, 2010</u>
Gross Revenues:	
Operating Revenues	\$ 77,233,431
Interest Income	4,723,545
	<hr/>
Total Gross Revenues	81,956,976
Operating Expenses, exclusive of depreciation and other post-employment benefit expense	32,502,058
	<hr/>
Net Revenues	49,454,918
	<hr/>
Debt Service Requirement of all Bonds issued under this Resolution (treating all Bonds as a single issue of Bonds for purposes of this calculation),	49,250,917
Less: Projected Disbursements from Investment Obligations Held in the Special Reserve Fund	-
	<hr/>
	49,250,917
	<hr/>
Sufficiency of Net Revenues	\$ 204,001
	<hr/> <hr/>

* Annual Debt Service stated above does not include amortization of bond issuance costs, bond discounts, deferred amount on defeasance or accreted interest on capital appreciation bonds.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)

Debt Service Reserve Requirement

Section 1.01 of the Amended and Restated Bond Resolution adopted October 10, 1995 indicates the debt service reserve requirement shall mean the lesser of:

(a) the Maximum Annual Debt Service Requirement of all Bonds issued under this Resolution (treating all Bonds as a single issue of Bonds for purposes of this calculation), \$ 49,400,931

or

(b) the sum of:

(i) the then applicable Periodic Debt Service Reserve Requirement, \$ 40,387,238

(ii) upon the issuance of any series of Additional Bonds after the 1990 Bonds, the Maximum Annual Debt Service Requirement on all Outstanding Bonds of such series less the amount, if any, of the reduction in the Maximum Annual Debt Service on any series of Bonds refunded with such series of Additional Bonds:

1991 Series B	\$	310,162
1992 Series B		235,404
1995 Series A		215,750
1995 Series B		114,952
1998 Series C (Refunding)		417,845
1998 Series D (Refunding)		382,925
2000 Series A, 2000-05		162,643
2000 Series A, 2000-07		191,641
2003 Series A		319,756
2006 Series A		384,160
2006 Series B (Refunding)		(618,733)
2006 Series A (Refunding)		339,208
2006 Series A (Refunding)		306,081
2006 Series D (Refunding)		333,121
2008 Series A (Refunding)		<u>639,648</u>

3,734,563

(iii) on December 2, 1997, the Maximum Annual Debt Service Requirement on any 1987 Bonds maturing on December 31, 2007 Or December 1, 2017 then outstanding.

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\$ 44,121,801

Therefore, the defined Debt Service Reserve Requirement as of December 31, 2010, shall equal \$44,121,801.

The Authority has funded the Debt Service Reserve Requirement as of December 31, 2010 as follows:

Amount on Deposit	\$	63,925,458
Interest Receivable		<u>173,373</u>
		<u>\$ 64,098,831</u>

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**Subordinate Bond Resolution**

The Authority is further subject to the provisions and restrictions of the Subordinate Resolution adopted July 17, 2006 (the "Subordinate Resolution") as amended and supplemented. Section 4 of the Subordinate Resolution creates an obligation on the Authority to the payment of principal and interest on the Subordinate Bonds. The Subordinate Bonds are secured by the pledge of amounts which may be withdrawn from the Renewal and Replacement Fund of the General Bond Resolution pursuant to and subject to the limitations of Paragraph (e) of Section 4.12, which states ...the Trustee shall (i) ... withdraw from and pay out of the Renewal and Replacement Fund, free and clear of the lien, pledge and security interest created hereby, any amounts in excess of the foregoing, which amounts as so withdrawn by the Authority may be used or applied by it to any lawful purpose of the Authority. The pledge of revenues and other such funds is subordinate to the provisions of the General Bond Resolution and the lien and pledge created by the General Bond Resolution.

Note 3: DETAIL NOTES - ASSETS**Cash and Cash Equivalents**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. Although the Authority does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Authority 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 Authority relative to the happening of a future condition. If the Authority had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2010, the Authority's bank balances of \$64,015,898 were exposed to custodial credit risk as follows:

Uninsured and Collateralized with Securities Held by Pledging Bank's Trust Department but not in the Authority's Name	<u>\$ 63,265,898</u>
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Investments

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. All of the Authority's \$70,100,723 investments in treasury obligations and money market funds are held by the counterparty, in the name of the Authority.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits the investments that the Authority may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The Authority has no investment policy that would further limit its investment choices.

Note 3: DETAIL NOTES – ASSETS (Cont'd)**Investments (Cont'd)**

Concentration of Credit Risk – The Authority does not place a limit on the amount that may be invested in any one issuer. All of the Authority's investments are either in treasury obligations, taxable municipal bonds or corporate bonds.

As of December 31, 2010, the Authority had the following investments and maturities:

<u>Investment</u>	<u>Maturity Date</u>	<u>S&P Credit Rating</u>	<u>Fair Value</u>
Taxable Municipal Bonds	04/01/11	N/A	\$ 680,417
Taxable Municipal Bonds	06/30/11	A+	8,071,614
Taxable Municipal Bonds	06/30/12	A+	7,415,278
Taxable Municipal Bonds	06/30/13	A+	6,520,535
Taxable Municipal Bonds	06/30/14	A+	6,171,603
Taxable Municipal Bonds	04/01/15	N/A	372,978
Taxable Municipal Bonds	06/30/15	AA-	1,275,235
Taxable Municipal Bonds	06/30/15	A+	4,144,450
Taxable Municipal Bonds	06/30/16	AA-	1,485,724
Taxable Municipal Bonds	06/30/16	A+	3,909,800
Taxable Municipal Bonds	06/30/17	A+	5,059,755
US Treasury NTS	04/30/11	AAA	106,241
US Treasury Bills	08/25/11	AAA	8,131,660
US Treasury Bills	06/02/11	AAA	4,996,750
US Treasury Bills	06/30/11	AAA	5,000,000
Corporate Notes	02/23/11	AAA	60,114
Corporate Notes	03/11/11	AAA	6,698,569
			<u>\$ 70,100,723</u>

Service Fees

The following is a three-year comparison of service charge billings and collections for all types of accounts maintained by the Authority:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Billings</u>	<u>Total Collections</u>	<u>Percentage of Collections</u>
2010	\$ 9,085,729	\$ 72,675,650	\$ 71,967,799	88.02%
2009	8,602,572	72,502,405	72,019,248	88.80%
2008	8,238,121	72,209,283	71,844,832	89.31%

Accounts Receivable

At December 31, 2010 and 2009 the balance in Accounts Receivable was \$9,793,580 and \$9,085,729, respectively. The Authority's policy for allowance for doubtful accounts is to consider any account with a balance greater than 18 months old as a doubtful account.

Delinquent account balances are sold by the applicable municipal tax collectors on behalf of the Authority, thereby creating a lien on the property of the delinquent account. Any collection of delinquent account balance by the municipal tax collectors is subsequently forwarded to the Authority.

Note 3: DETAIL NOTES – ASSETS (Cont'd)**Property, Plant and Equipment**

During the year ended December 31, 2010, the following changes in Property, Plant and Equipment occurred:

	<u>Balance</u> <u>Jan. 1, 2010</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
In Service:					
Land	\$ 6,440,900				\$ 6,440,900
Preliminary Treatment Facility	30,970,508				30,970,508
Secondary Treatment Plant	187,670,800	\$ 1,601,906	\$ 16,895,632	\$ (137,895)	206,030,443
Interceptors	174,612,605		19,204		174,631,809
Incinerator	3,813,619				3,813,619
Compost Facility	55,342,819				55,342,819
Pump Stations	126,080,705		12,916		126,093,621
Metering Stations	5,321,807		(32,120)	(114,560)	5,175,127
Consulting & Engineering	40,121,442				40,121,442
Capitalized Interest	73,517,899				73,517,899
Total In Service	703,893,104	1,601,906	16,895,632	(252,455)	722,138,187
Assets Under Construction	23,620,468	35,321,018	(16,895,632)		42,045,854
Other:					
Administrative Building	2,464,705				2,464,705
Plant Machinery	23,110,610	861,048			23,971,658
Sundry	7,937,713	74,425			8,012,138
Total Other	33,513,028	935,473	-	-	34,448,501
Total Property, Plant and Equipment	761,026,600	37,858,397	-	(252,455)	798,632,542
Less Accumulated Depreciation	289,750,446	16,504,714			306,255,160
	\$ 471,276,154	\$ 21,353,683	\$ -	\$ (252,455)	\$ 492,377,382

Note 3: DETAIL NOTES – ASSETS (Cont'd)**Property, Plant and Equipment**

During the year ended December 31, 2009, the following changes in Property, Plant and Equipment occurred:

	<u>Balance</u> <u>Jan. 1, 2009</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
In Service:					
Land	\$ 6,440,900				\$ 6,440,900
Preliminary Treatment Facility	30,970,508				30,970,508
Secondary Treatment Plant	186,075,247	\$ 658,453	\$ 937,100		187,670,800
Interceptors	174,612,605				174,612,605
Incinerator	3,813,619				3,813,619
Compost Facility	55,342,819				55,342,819
Pump Stations	126,080,705				126,080,705
Metering Stations	5,321,807				5,321,807
Consulting & Engineering	40,121,442				40,121,442
Capitalized Interest	73,517,899				73,517,899
Total In Service	702,297,551	658,453	937,100	-	703,893,104
Assets Under Construction	6,390,606	18,166,962	(937,100)		23,620,468
Other:					
Administrative Building	2,464,705				2,464,705
Plant Machinery	21,638,952	1,471,658			23,110,610
Sundry	8,112,956	91,261		(266,503)	7,937,713
Total Other	32,216,613	1,562,918	-	(266,503)	33,513,028
Total Property, Plant and Equipment	740,904,770	20,388,333	-	(266,503)	761,026,600
Less Accumulated Depreciation	273,511,562	16,476,770		(237,886)	289,750,446
	\$ 467,393,208	\$ 3,911,563	\$ -	\$ (28,617)	\$ 471,276,154

Note 4: DETAIL NOTES - LIABILITIES**Compensated Absences**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent years. Up to ten days of sick time may also be sold back in accordance with the Authority's Personnel Policy. Vacation days not used during the year may be accumulated and carried forward to the next subsequent year only.

Certain full-time employees are entitled to days off in lieu of receiving pay for overtime. Permanent part-time employees are entitled to sick and vacation leave on a prorated basis. The Authority compensates certain employees for unused sick leave upon retirement. The current policy entitles certain employee to receive fifty percent (50%) of his accumulated sick leave as severance pay. There is a maximum payout of \$15,000, which is paid at the rate of pay upon retirement.

The Authority has the following accrued liabilities for compensated absences at December 31, 2010 and 2009:

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Sick Time	\$ 540,761	\$ 536,151
Vacation Time	326,611	310,257
Comp Time	214,281	219,492
	<u>\$ 1,081,653</u>	<u>\$ 1,065,900</u>

Retirement Systems

The Authority contributes to a cost-sharing multiple-employer defined benefit pension plan, the Public Employees' Retirement System (PERS), which is administered by the New Jersey Division of Pensions and Benefits. In addition, the Defined Contribution Requirement Program (DCRP) is also available, which is a defined contribution pension plan that is also administered by the New Jersey Division of Pension and Benefits. The plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

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

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

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Retirement Systems (Cont'd)**

The Authority is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by Authority</u>
2010	\$ 318,375	\$ 367,951	\$ 686,326	None	\$ 686,326
2009	301,298	332,125	633,423	\$ 256,210	377,213
2008	301,529	289,679	591,208	106,780	484,428

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Camden County Municipal Utilities Authority.

Post Employment Benefits

Plan Description - The Authority's defined benefit postemployment healthcare plan, the Camden County MUA Postemployment Benefits Plan (the "CCMUA Plan"), provides fully paid health and prescription benefits to employees retiring with twenty-five (25) years or more of service with Camden County and/or affiliated organizations and twenty-five (25) or more years of service credit in a state or locally administered retirement system and their spouses. The CCMUA Plan is affiliated with the County of Camden Health Plan (CCHP), an agent multiple-employer postemployment healthcare plan administered by the County of Camden. The benefit provisions of the plans that participate in CCHP may be established or amended by the respective employer entities; for the CCMUA Plan that authority rests with the Board of the Authority. The CCHP does not issue a separate financial report.

Funding Policy - The contribution requirement of the Authority is established by the policy of the Authority and certain employment contracts and may be amended by the same. The required contribution is based on projected pay-as-you-go financing requirements. For the years 2010 and 2009, the Authority contributed \$396,987 and \$330,041, respectively to the CCMUA plan for current premiums. Plan members are not required to make any contributions to the plan.

Annual OPEB Cost and Net OPEB Obligation - The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the CCMUA Plan, and changes in the Authority's net OPEB obligation to the CCMUA Plan:

Normal cost	\$ 476,600
Unfunded actuarial liability	<u>1,190,900</u>
Annual required contribution (expense)	1,667,500
Contributions made	<u>(396,987)</u>
	1,270,513
Net OPEB obligation - beginning of year	<u>3,198,564</u>
Net OPEB obligation - end of year	<u>\$ 4,469,077</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Post Employment Benefits (Cont'd)**

Funded Status and Funding Progress - As of December 31, 2009, the most recent actuarial valuation date, the CCMUA Plan was 0% funded. The actuarial accrued liability for benefits was \$27,274,100, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,274,100. The covered payroll (annual payroll of active employees covered by the plan) was \$9,201,900, and the ratio of the UAAL to the covered payroll was 296%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the CCMUA Plan is funded and how this status has changed over the past several years. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the CCMUA Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.5% initially, reducing by decrements to an ultimate rate of 5% after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eleven years. Both rates include a 3.5 percent salary inflation assumption. The actuarial value of the CCMUA Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three year period. The CCMUA Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009, was twenty-seven years.

Deferred Revenue**Federal and State Grants**

The Authority has received a grant from the US Economic Development Administration for the development and renovation of the Campbell Soup and Camden Central Gateway projects. The Authority also received a grant from the State of New Jersey Pinelands Infrastructure Trust Fund for the elimination of the Ancora Sewerage Treatment Plant. These grants are recorded as deferred revenue until the Authority expends the funds. Grants received for the purchase of fixed assets are realized as contributions of capital.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Long Term Debt**

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
New Jersey Wastewater Treatment / Environmental Infrastructure Trust	\$ 33,356,878	\$ 31,353,702
New Jersey Wastewater Treatment / Environmental Infrastructure Fund	71,374,649	59,039,857
County Agreement Sewer Revenue Bonds, Series 2006A	4,480,000	4,685,000
County Agreement Sewer Revenue Refunding Bonds, Series 2006B	73,185,000	81,215,000
County Agreement Sewer Revenue Capital Appreciation Bonds Series 1990A	88,023,321	95,254,541
County Agreement Sewer Revenue Capital Appreciation Bonds Series 1990B	100,674,317	111,337,107
County Agreement Sewer Revenue Refunding Bonds Series 2008	52,850,000	59,010,000
	<u>423,944,165</u>	<u>441,895,207</u>
Add Amounts:		
Premium on Bonds	7,327,507	7,694,731
Less Amounts:		
Deferred on Refunding	(5,764,899)	(7,268,144)
Current Maturities	<u>(54,714,147)</u>	<u>(56,373,081)</u>
	<u>(53,151,539)</u>	<u>(55,946,494)</u>
	<u>\$ 370,792,626</u>	<u>\$ 385,948,713</u>

The County has executed a deficiency agreement with the Authority which under its terms and conditions obligates the County to pay all principal debt service deficiencies, not to exceed \$685,500,000 (See Note 1), if any, including the bonds and loans under the New Jersey Environmental Infrastructure (Wastewater Treatment) Trust and Fund ("NJEIT" and "NJWTT") programs.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Long Term Debt (Cont'd)**

At December 31, 2010, the aggregate principal maturities of long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Accretion</u>	<u>Total</u>
2011	\$ 54,714,147	\$ 8,000,120	\$ 13,331,012	\$ 76,045,279
2012	55,679,235	7,267,689	11,890,463	74,837,387
2013	55,971,057	6,295,481	10,342,088	72,608,626
2014	56,906,476	5,353,899	8,677,926	70,938,301
2015	57,924,972	4,342,720	6,889,572	69,157,264
2016-2020	159,159,915	8,213,591	9,586,296	176,959,802
2021-2025	29,490,377	2,611,165		32,101,542
2026-2030	14,815,343	555,406		15,370,749
	<u>\$ 484,661,522</u>	<u>\$ 42,640,071</u>	<u>\$ 60,717,357</u>	<u>\$ 588,018,950</u>
Adjustments:				
Accreted Interest	(60,717,357)			
Bond Premium	7,327,507			
Deferred Amount on Refunding	<u>(5,764,899)</u>			
	<u>\$ 425,506,773</u>			

Revenue Bonds Payable - Series 1990A, 1990B, 2006A, 2006B and 2008

The Revenue Bonds Series 1990A, 1990B, 2006A, 2006B and 2008 are direct obligations of the Authority. The Bonds are secured by a pledge on the Revenues derived by the Authority from the operation of its sewerage treatment facilities.

1990 Refunding

On February 21, 1990, the Authority issued \$115,830,387 County Agreement Sewer Revenue Capital Appreciation Bonds, 1990A Series and \$121,677,019 County Agreement Sewer Revenue Capital Appreciation Bonds, 1990B Series. A majority of the proceeds were utilized to refund or pay a portion of the principal of and interest on the 1987 Sewer Revenue Bonds and the New Jersey Wastewater Treatment Trust and Fund Bonds; permanently finance certain projects through the redemption in whole of the \$109,000,000 1987 Bond Anticipation Notes; make a deposit in the Debt Service Reserve Fund; and pay the expenses incurred in connection with the issuance of the Bonds, including the payment of a municipal bond insurance premium.

As security for the Authority's payment obligations on the 1990A and 1990B Bonds, the Resolution creates a senior lien on and grants a security interest in the gross revenues of the Authority, investment earnings and other cash receipts. Interest on the 1990 Bonds will not be paid semiannually, but only upon maturity or earlier acceleration (capital appreciation bonds). Such interest accrues from the date of issuance and compounds semiannually. The 1990 Bonds are priced to produce an approximate yield to maturity ranging from 6.80% to 7.35%.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**1990 Refunding (Cont'd)**

	<u>Face Value</u>	<u>Accreted Value</u>	<u>Payments</u>	<u>Carrying Value</u>
1990A Bonds:				
Dec. 31, 2010	\$ 115,830,387	\$ 68,497,705	\$ 96,304,771	\$ 88,023,321
Dec. 31, 2009	115,830,387	72,543,020	93,118,865	95,254,542
1990B Bonds:				
Dec. 31, 2010	\$ 121,677,019	\$ 78,342,614	\$ 99,345,316	\$ 100,674,317
Dec. 31, 2009	121,677,019	84,791,238	95,131,151	111,337,106

2006A Revenue

On October 11, 2006, the Authority issued County Agreement Sewer Revenue Bonds, Series 2006A dated September 26, 2006, in the amount of \$5,000,000 to pay expenses incurred in the repair of a force main in the City of Camden and other various projects. The 2006A Bonds have interest rates ranging from 3.45% to 4.05% and mature in various increments through 2026.

2006B Refunding

On September 20, 2006, the Authority issued County Agreement Sewer Revenue Refunding Bonds, Series 2006B dated August 31, 2006, in the amount of \$100,865,000 to refund the 1996 County Sewer Revenue Refunding Bonds, originally issued in the aggregate principal amount of \$139,190,000, and pay expenses incurred in connection with the reissuance of the bonds. The 2006B Bonds have interest rates ranging from 4.00% to 5.00% and mature in various increments through 2017.

2008 Refunding

On July 15, 2008, the Authority issued County Agreement Sewer Revenue Refunding Bonds, Series 2008 dated June 10, 2008, in the amount of \$64,885,000 to refund the 1997 County Sewer Revenue Refunding Bonds, originally issued in the aggregate principal amount of \$85,980,000, and pay expenses incurred in connection with the issuance of the bonds. The 2008 Bonds have interest rates ranging from 4.85% to 5.25% and mature in various increments through 2017.

The 2008 refunding bonds were issued pursuant to a Forward Bond Purchase Contract dated February 23, 2005 between the Authority and Bear, Stearns & Co. Inc., (the "purchaser") in which the Authority granted the Purchaser the option to purchase the 2008 refunding bonds. In consideration of the purchase option the purchaser paid to the Authority an upfront fee of \$600,000.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**New Jersey Wastewater Treatment Trust / New Jersey Environmental Infrastructure Trust Programs**

The Authority has received loans from the State of New Jersey under the Wastewater Treatment Trust Program / Environmental Infrastructure Trust Program ("NJEIT Trust"). The NJEIT Trust has issued bonds for loans to various entities. The funds on hand at the NJEIT Trust for loans committed to the Authority are included on the books of the Authority as Cash Held by Fiscal Agent. The NJEIT Trust acts in a trustee capacity for these funds and the drawdown of these funds are subject to the approval of the NJEIT Trust. \$73,639,917 in loans have been issued. They have interest rates ranging from 3.0% to 7.0% and mature in various increments through 2030.

Under the Wastewater Treatment Fund Program / Environmental Infrastructure Fund Program ("NJEIT Fund"), the State extended several noninterest-bearing loans totaling \$206,108,791. The loans have been recorded as long-term debt, net of original defeased debt of \$29,449,144. When a project is completed the final expenditures report is submitted to the state. If the total project cost is less than the loan amount, the State will make an adjustment to the final loan payment. The Authority has repaid \$105,284,998 and \$96,539,810 as of December 31, 2010 and 2009, respectively. This debt will mature in various increments through 2030.

Authority Subordinate Bonds

The 2006, 2007, 2008 and 2010 NJEIT Trust and NJEIT Fund Loans were issued as Authority Subordinate Bonds. The Bonds are subordinate to the Revenue Bonds issued under the 1995 Bond Resolution of the Authority. In the event of any insolvency and bankruptcy proceedings, all holders of the Revenue Bonds shall be entitled to received payment in full of all payments due before the holders of all outstanding Authority Subordinate Bonds are entitled to received any payment from the Gross Revenues (as defined in the General Bond Resolution).

NJEIT 2010 Refunding Bonds

On August 8, 2010, the NJEIT issued Refunding Bonds, Series 2010A to refund a portion of the 2003A and 2006A Trust Bonds. The refunding of the 2003A bonds resulted in a savings credit (interest) in the amount of \$38,201.66 and savings credit (principal) \$46,028.39. The refunding of the 2006A bonds resulted in a savings credit (interest) in the amount of \$320,216.74 and savings credit (principal) \$110,899.98. The savings credits will reduce specific principal and interest payments the Authority is required to make over the life of the bonds.

Special Reserve Fund

Pursuant to the Thirteenth Supplemental Resolution adopted December 27, 1993, the provision to prepay the 1987 Sewer Revenue Bonds and the New Jersey Wastewater Treatment Trust Bonds was eliminated and amended to pay all or any portion of the principal of or interest on the 1990 Bonds when due. The Authority, however, is not obligated to use Special Reserve Fund moneys to redeem the 1990 Bonds and may, with the consent of Financial Guaranty Insurance Company, the issuer of the Municipal Bond New Issue Insurance Policy, apply such moneys to future capital projects or pay administrative costs or expenses of the Authority, including, without limitation, any costs and expenses in any way related to the issuance of Authority obligations or the restructuring of the Special Reserve Fund. The Authority has paid approximately \$191,650,287 into the Special Reserve Fund as of December 31, 2010.

Note 5: DETAIL NOTES – NET ASSETS**Net Assets Appropriated**

\$5,876,861 of the \$9,339,356 unrestricted net assets available at December 31, 2010 was appropriated as anticipated revenue in the annual operating budget for the year ended December 31, 2011.

\$1,000,000 of the \$9,339,356 unrestricted net assets available at December 31, 2010 was appropriated as anticipated revenue in the capital budget for the year ended December 31, 2011.

Note 6: COMMITMENTS AND CONTINGENCIES**Commitments**

The Authority had several outstanding or planned construction projects as of December 31, 2010. These projects are evidenced by contractual commitments with contractors and include:

<u>Project</u>	<u>Awarded</u>	<u>Commitment Remaining</u>
Central Gateway Project	En-Tech	\$ 200,000
Sludge Dryer Equipment	Komline Sanderson	1,500,000
Sludge Dryer Installation	PKF-Mark III	2,500,000
Pure Oxygen System	C&T Associates	10,000,000
New Odor Control System	WPCS	2,000,000
Ancora STP Demolition	Neri's Construction	550,000
Gas Station Demolition	Northstar Environmental	20,000

Encumbrances

Enterprise funds recognize expenses when they are incurred. Encumbrances do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods or services for both the Unrestricted and Restricted Funds. As of December 31, 2010 and 2009, the Authority had outstanding encumbrances of approximately \$24,738,720 and \$44,127,000, respectively.

Change Orders to Contracts

During the year 2010, the Authority did not amend any contracts that resulted in the total amount of change orders executed for the project to exceed the originally awarded contract price by more than 20 percent.

N.J.A.C. 5:30-11.3 (a) 9 and 10 states that the total number of change orders executed for a particular contract shall not cause the originally awarded contract price to be exceeded by more than twenty percent unless otherwise authorized, and that if proposed change orders do exceed that twenty percent limitation, no work shall be performed or purchases made until the procedures of N.J.A.C. 5:30-11.9 have been completed.

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent limitation. The Authority has complied with all provisions of N.J.A.C. 5:30-11.9.

Litigation

The Authority is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Authority, from such litigation is either unknown or potential loses, if any, would not be material to the financial statements.

Note 7: INVESTMENT INCOME

Investment income is comprised of the following elements described below:

Interest income - is the return on the original principal amount invested.

Realized gain – is a gain resulting from selling an asset at a price higher than the original purchase price.

Change in the fair value of investments - takes into account all changes in fair value that occurred during the year.

The Authority's investment income for the years ended December 31, 2010 and 2009:

	December 31,	
	2010	2009
Investment Income:		
Interest Income	\$ 4,180,214	\$ 4,125,646
Change in the Fair Value of Investments	543,331	1,758,083
	\$ 4,723,545	\$ 5,883,729

Note 8: DEFERRED REVENUE FOR CLEAN WATER ENFORCEMENT ACT

In 1972, Congress enacted the first comprehensive national clean water legislation in response to growing public concern for serious and widespread water pollution. The Clean Water Act (CWA) is the primary federal law that protects our nation's waters, including lakes, rivers, aquifers and coastal areas.

The CWA established the basic structure for regulating discharges of pollutants into the waters of the United States by making it unlawful for any person to discharge any pollutant from a point source unless a permit was obtained under its provisions. The Water Pollution Control Act (WPCA), enacted in 1977, enabled New Jersey to implement the New Jersey Pollutant Discharge Elimination System (NJPDDES) permitting system required under the CWA, whereby a person must obtain a NJPDDES permit in order to discharge a pollutant into surface water or ground water of the State or to release a pollutant into a municipal treatment works.

In 1990, the Legislature enacted substantial amendments to the WPCA, commonly known as the Clean Water Enforcement Act, P.L. 1990, c. 28 (CWEA). The CWEA requires the department to inspect permitted facilities and municipal treatment works at least annually. Additional inspections are required when the permittee is identified as a significant noncomplier. The CWEA also requires the assessment of mandatory minimum penalties for violations of the WPCA that are considered serious violations and for violations by permittees designated as significant noncompliers.

The CWEA mandates that 10 percent of the fines and penalties collected for violations of the CWEA be deposited in the State Licensed Operator Training Account at the NJDEP. The balance collected can be utilized by the Local Agency (the Authority) to offset the cost of the pretreatment program, funding for enforcement purposes and for upgrading municipal treatment facilities.

At December 31, 2010 and 2009 the penalties receivable amounted to \$69,658 and \$68,417, respectively. In accordance with the state statute no allowance has been made for the collectability of this amount. Also at December 31, 2010 and 2009 the amount due to the NJDEP for 10 percent of the penalties collected was \$142,303 and \$130,601, respectively.

Note 9: RELATED PARTY TRANSACTIONS

Related Party Transactions

The Members of the Authority are appointed by the Board of Chosen Freeholders of the County of Camden. Accordingly, the Freeholders have the ability to influence the nature and amounts of business done by the Authority. The Authority and the County have engaged in significant transactions with each other. These transactions include the cooperative purchasing and economic development activities.

Note 10: RISK MANAGEMENT

The Authority 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. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded coverage for the past several years.

The Authority is self-insured for workers' compensation through a joint insurance program with the County. The County submits invoices to the Authority for their share of the workers' compensation costs incurred for the year. The County has established this fund and as of December 31, 2010 and 2009, the balance in the Reserve for Workers' Compensation Insurance Trust Fund was \$194,153 (unaudited) and \$575,502. The 2011 County Budget has not been introduced and the 2010 County Budget includes an appropriation in the amount of \$800,000 to provide for future claims.

Note 11: LEASE OBLIGATIONS

At December 31, 2010, the Authority had lease agreements in effect for the following:

- Operating:
 - Colored Copiers
 - Black and White Copiers
 - Mailing System
 - Mailing Machine

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 22,359
2012	16,080
2013	11,114
2014	3,500

Rental payments under operating leases for the fiscal year 2010 were \$22,930.

REQUIRED SUPPLEMENTARY INFORMATION

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Required Supplementary Information
 Schedule of Funding Progress for the OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/2009	\$ 0	\$ 27,274,100	\$ 27,274,100	0 %	\$ 9,201,900	296%
12/31/2007	0	13,800,000	13,800,000	0 %	7,000,000	197%

Schedule RSI-2

Required Supplementary Information
 Schedule of Employer Contributions

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed
2010	\$ 1,681,000	23.6%
2009	1,681,000	16.1%
2008	1,200,000	25.2%
2007	1,200,000	19.7%

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Note to Required Supplementary Information
For the Year Ended December 31, 2010

Other Postemployment Benefits

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	December 31, 2009
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent open
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	5.0%
Rate of Salary Increases	3.5% (plus merit scale)
Rate of Medical Inflation	9.50% (pre-Medicare) or 9.50% (post-Medicare) Grading to 5.0% after 9 years
Rate of Prescription Drug Benefits	10.50% (pre-Medicare) or 10.50% (post-Medicare) Grading to 5.0% after 11 years

For determining the GASB ARC, the rate of employer contributions to the CCMUA Plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

SUPPLEMENTAL EXHIBITS

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Combining Schedule of Revenues, Expenses and Changes in Net Assets
Restricted and Unrestricted Accounts
For the Year Ended December 31, 2010

	Unrestricted		R e s t r i c t e d					Total
	Revenue	General Reserve	Debt Service	Debt Service Reserve	Renewal and Replacement	Construction	Special Reserve	
Operating Revenues	\$ 77,233,431							\$ 77,233,431
Operating Expenses	33,772,571	\$ 16,738,503						50,511,074
Operating Income (Loss)	43,460,860	(16,738,503)						26,722,357
Non-operating Revenue (Expenses):								
Investment Income	20,006		\$ 43,131	\$ 1,246,551	\$ 1,161	\$ -	\$ 3,412,696	4,723,545
Interest Expense			(23,093,236)					(23,093,236)
Contribution to the County of Camden		(3,151,056)						(3,151,056)
Amortization of Deferred Charges and Bond Issuance Costs		(1,587,498)						(1,587,498)
Community Service Projects		(575,212)						(575,212)
Prior Year Revenue and Expenditures	135,855							135,855
Total Non-operating Revenue (Expenses)	155,861	(5,313,766)	(23,050,105)	1,246,551	1,161		3,412,696	(23,547,602)
Income (Loss) Before Contributions and Transfers	43,616,721	(22,052,269)	(23,050,105)	1,246,551	1,161		3,412,696	3,174,755
Capital Contributions		7,172,840						7,172,840.00
Transfers	(49,982,365)	50,651,979	25,015,966	(11,738,473)	(1,161)		(13,945,946)	
Change in Net Assets	(6,365,644)	35,772,550	1,965,861	(10,491,922)		-	(10,533,250)	10,347,595
Total Net Assets, January 1	15,705,279	104,143,915	(60,246,252)	96,935,982	3,034,000		55,640,652	215,213,576
Total Net Assets, December 31	\$ 9,339,635	\$ 139,916,465	\$ (58,280,391)	\$ 86,444,060	\$ 3,034,000	\$ -	\$ 45,107,402	\$ 225,561,171
Analysis of Balance, December 31:								
Invested in Capital Assets, Net of Related Debt		\$ 139,916,465						\$ 139,916,465
Restricted for Bond Resolution Covenants			(58,280,391)	86,444,060	\$ 3,034,000		\$ 45,107,402	76,305,071
Unrestricted	\$ 9,339,635							9,339,635
	\$ 9,339,635	\$ 139,916,465	\$ (58,280,391)	\$ 86,444,060	\$ 3,034,000	\$ -	\$ 45,107,402	\$ 225,561,171

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Cash Receipts, Cash Disbursements
 and Changes in Cash, Cash Equivalents and Investments
 For the Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Restricted</u>				<u>Total</u>
	<u>Operating Accounts</u>	<u>Debt Service Reserve</u>	<u>Renewal and Replacement</u>	<u>Construction</u>	<u>Special Reserve</u>	
Cash, Cash Equivalents and Investments--January 1, 2010	\$ 14,655,904	\$ 72,106,893	\$ 4,378,398	\$ 8,989,958	\$ 55,640,644	\$ 155,771,797
Cash Receipts:						
User Charges	71,967,799					71,967,799
Investment Income	20,020	1,181,527	1,174		2,912,504	4,115,225
Proceeds from Issuance of Long Term Debt		41,398,292				41,398,292
Capital Contributions				7,172,840		7,172,840
Connection Fees and Other Revenues	5,714,319					5,714,319
Transfer from Other Restricted Accounts	1,919,366					1,919,366
Transfer from Other Restricted Accounts		15,291,261				15,291,261
Transfer from Unrestricted Accounts		19,392,364		30,590,001		49,982,365
Change in the Fair Value of Investments		43,131			500,200	543,331
Total Cash Receipts and Investments Available	<u>94,277,408</u>	<u>149,413,468</u>	<u>4,379,572</u>	<u>46,752,799</u>	<u>59,053,348</u>	<u>353,876,595</u>
Cash Disbursements:						
Operating Expenditures	33,631,553					33,631,553
Deferred Interest Revenue	287,934					287,934
Community Service Projects	575,212					575,212
Non-operating Expenditures	365,540					365,540
Debt Principal Payments		35,350,155				35,350,155
Interest Paid		33,397,810				33,397,810
Bond Issuance Costs		1,179,623				1,179,623
Payment of Contribution to County of Camden		3,151,056				3,151,056
Capital Expenditures, Net of Change in Retainages				37,357,713		37,357,713
Transfer to Unrestricted Accounts		1,919,366				1,919,366
Transfer to Restricted Accounts	49,982,365					49,982,365
Transfer to Other Restricted Accounts			1,345,315		13,945,946	15,291,261
Total Cash Disbursements	<u>84,842,604</u>	<u>85,488,010</u>	<u>1,345,315</u>	<u>37,357,713</u>	<u>13,945,946</u>	<u>222,979,588</u>
Cash, Cash Equivalents and Investments--December 31, 2010	<u>\$ 9,434,804</u>	<u>\$ 63,925,458</u>	<u>\$ 3,034,257</u>	<u>\$ 9,395,086</u>	<u>\$ 45,107,402</u>	<u>\$ 130,897,007</u>
<u>Analysis of Balance December 31, 2010</u>						
Cash and Cash Equivalents	\$ 9,434,804	\$ 38,932,124	\$ 3,034,257	\$ 9,395,086	\$ 13	\$ 60,796,284
Investments:						
U.S. and Municipal Government Securities		24,993,334			45,107,389	70,100,723
	<u>\$ 9,434,804</u>	<u>\$ 63,925,458</u>	<u>\$ 3,034,257</u>	<u>\$ 9,395,086</u>	<u>\$ 45,107,402</u>	<u>\$ 130,897,007</u>

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Sewer Operations -- Revenues, Operating Appropriations,
 Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis
 For the Year Ended December 31, 2010

	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable-- (Unfavorable)</u>
Operating Revenues:				
User Charges and Fees	\$ 73,414,582	\$ 73,414,582	\$ 72,675,650	\$ (738,932)
Connection Fees	3,118,925	3,118,925	2,840,993	(277,932)
Other Operating Revenues	2,118,131	2,118,131	1,716,788	(401,343)
Total Operating Revenues	78,651,638	78,651,638	77,233,431	(1,418,207)
Non-Operating Revenues:				
Interest on Investments and Deposits	500,000	500,000	309,101	(190,899)
Other Non-Operating Revenue	12,984,000	12,984,000	12,984,000	
Total Non-Operating Revenues	13,484,000	13,484,000	13,293,101	(190,899)
Total Budget Revenues	92,135,638	92,135,638	90,526,532	(1,609,106)
Operating Appropriations:				
Administration:				
Salary & Wages	2,006,674	2,006,674	1,978,718	27,956
Fringe Benefits	1,637,920	1,637,920	3,019,957	(1,382,037)
Other Expenses	1,658,752	1,658,752	1,469,894	188,858
Total Administration	5,303,346	5,303,346	6,468,569	(1,165,223)
Cost of Providing Services:				
Salary & Wages	6,519,761	6,519,761	6,981,565	(461,804)
Fringe Benefits	2,237,587	2,237,587	2,080,270	157,317
Other Expenses	17,312,177	17,009,177	18,242,167	(1,232,990)
Total Cost of Providing Services	26,069,525	25,766,525	27,304,002	(1,537,477)
Total Principal Payments on Debt Service	31,648,256	31,648,256	31,208,155	440,101
Total Operating Appropriations	63,021,127	62,718,127	64,980,726	(2,262,599)
Non-Operating Appropriations:				
Contribution to the County of Camden		3,151,056	3,151,056	
Interest Payments	32,896,590	32,896,590	33,397,810	(501,220)
Total Non-Operating Appropriations	32,896,590	36,047,646	36,548,866	(501,220)
Total Budget Appropriations	95,917,717	98,765,773	101,529,592	(2,763,819)
Excess of Expenses and Other Costs over Revenues	\$ (3,782,079)	\$ (6,630,135)	\$ (11,003,060)	\$ (4,372,925)

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Sewer Operations -- Revenues, Operating Appropriations,
 Principal Payments and Non-Operating Appropriations Compared To Budget -- Non-GAAP Budgetary Basis
 For the Year Ended December 31, 2010

Adjustments to Reconcile Excess Expenses and Other Costs

Over Revenues to GAAP Basis Operating Income:	
Excess of Expenses and Other Costs over Revenues (Schedule 3)	\$ (11,003,060)
Less: Investment Income	(309,101)
Less: Other Non-Operating Revenue	(12,984,000)
Less: Depreciation	(16,738,503)
Add: Contribution of the County of Camden	3,151,056
Add: Principal Payments on Bonds	31,208,155
Add: Interest Payments	<u>33,397,810</u>
Total Operating Income (Exhibit B)	<u>\$ 26,722,357</u>

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

Analysis of Investment Income Receivable

For the Year Ended December 31, 2010

	<u>Balance Jan. 1, 2010</u>	<u>Investment Income Earned</u>	<u>Investment Income Collected</u>	<u>Balance Dec. 31, 2010</u>
Unrestricted Assets:				
Revenue Account	\$ 57	\$ 20,006	\$ 20,020	\$ 43
Restricted Assets:				
Debt Service Reserve Account	108,349	1,246,551	1,181,527	173,373
Renewal and Replacement Account	35	1,161	1,174	22
Construction Account				
Special Reserve Account	8	2,912,496	2,912,504	
	<hr/> 108,392	<hr/> 4,160,208	<hr/> 4,095,205	<hr/> 173,395
	<hr/> <u>\$ 108,449</u>	<hr/> <u>\$ 4,180,214</u>	<hr/> <u>\$ 4,115,225</u>	<hr/> <u>\$ 173,438</u>

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Serial Bonds Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Paid 2010</u>	<u>Amount Defeased</u>	<u>Balance Dec. 31, 2010</u>			
			<u>Date</u>	<u>Amount</u>									
1995 NJWTT Sewer Revenue Bonds Series B (Taxable)	11/09/95	\$ 2,235,000	08/01/11	\$ 150,000	7.00%								
			08/01/12	165,000	7.00								
			08/01/13	175,000	7.00								
			08/01/14	185,000	7.00								
			08/01/15	200,000	7.00								
				<u>\$ 875,000</u>						\$ 1,015,000	\$ 140,000	\$ 875,000	
1997 NJWTT Sewer Wastewater Treatment Refunding Bonds, Series 1997C	01/15/97	27,425,186				2,790,071		2,790,071		-			
1998 NJWTT Sewer Wastewater Series 1998C	03/01/98	5,028,505	06/01/11	\$ 483,580	6.00%								
				<u>\$ 483,580</u>							943,070	459,490	483,580
1998 NJWTT Sewer Wastewater Treatment Refunding Bonds, Series 1998D	03/01/98	3,521,640	04/01/11	\$ 289,036	6.375%								
			04/01/12	304,857	6.375								
				<u>\$ 593,893</u>							868,136	274,243	593,893
2003 NJEIT Sewer Wastewater Treatment Bonds, Series 2003	11/08/03	1,465,000				1,195,000		65,000	\$ 1,130,000	-			
2006 NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2006A - Winslow	06/22/06	3,383,431	08/01/11	\$ 215,000	5.00%								
			08/01/12	225,000	5.00								
			08/01/13	210,770	5.00								
			08/01/14	219,714	5.00								
			08/01/15	233,309	5.13								
			08/01/16	246,643	5.13								
			08/01/17	255,168	5.25								
			08/01/18	268,216	5.25								
			08/01/19	285,889	5.25								
			08/01/20	298,721	5.25								
				<u>\$ 2,458,431</u>							2,663,431	205,000	2,458,431

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Serial Bonds Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Paid 2010</u>	<u>Amount Defeased</u>	<u>Balance Dec. 31, 2010</u>			
			<u>Date</u>	<u>Amount</u>									
2006 NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2006A - Odor Control	06/22/06	\$ 3,088,956	08/01/11	\$ 190,000	5.00%								
			08/01/12	195,000	5.00								
			08/01/13	195,756	5.00								
			08/01/14	205,338	5.00								
			08/01/15	219,668	5.13								
			08/01/16	229,121	5.13								
			08/01/17	238,569	5.25								
			08/01/18	252,728	5.25								
			08/01/19	266,828	5.25								
			08/01/20	280,949	5.25								
											<u>\$ 2,273,956</u>		<u>\$ 2,453,956</u>
2006 NJEIT Sewer Wastewater Treatment Refunding Bonds, Series 2006D	06/22/06	1,722,199	08/01/11	\$ 318,946	5.00%								
				<u>\$ 318,946</u>									
											<u>625,038</u>		<u>306,092</u>
2006 County Agreement Sewer Revenue Refunding Bonds, Series 2006B	09/20/06	100,865,000	07/15/11	\$ 8,830,000	5.00%								
			07/15/12	9,490,000	5.00								
			07/15/13	9,495,000	5.00								
			07/15/14	10,425,000	5.00								
			07/15/15	10,945,000	5.00								
			07/15/16	11,945,000	5.00								
			07/15/17	12,055,000	5.00								
				<u>\$ 73,185,000</u>							<u>81,215,000</u>		<u>8,030,000</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Serial Bonds Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Paid 2010</u>	<u>Amount Defeased</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>						
2006 County Agreement Sewer Revenue Bonds, Series 2006	10/11/06	\$ 5,000,000	07/15/11	\$ 210,000	3.50%					
			07/15/12	220,000	3.50					
			07/15/13	225,000	3.45					
			07/15/14	235,000	3.50					
			07/15/15	240,000	3.55					
			07/15/16	250,000	3.60					
			07/15/17	260,000	3.75					
			07/15/18	270,000	3.75					
			07/15/19	280,000	3.80					
			07/15/20	290,000	3.85					
			07/15/21	300,000	4.05					
			07/15/22	315,000	4.05					
			07/15/23	325,000	4.05					
			07/15/24	340,000	4.05					
			07/15/25	355,000	4.05					
			07/15/26	365,000	4.05					
				<u>\$ 4,480,000</u>		<u>\$ 4,685,000</u>		<u>\$ 205,000</u>		<u>\$ 4,480,000</u>
2006 NJEIT Sewer Wastewater Treatment Bonds, Series 2006A	11/09/06	9,750,000				<u>9,750,000</u>		<u>390,000</u>	<u>\$ 9,360,000</u>	<u>-</u>
2007 NJEIT Sewer Wastewater Treatment Bonds, Series 2007A	11/08/07	2,940,000	08/01/11	\$ 120,000	5.00%					
			08/01/12	125,000	3.40					
			08/01/13	130,000	3.50					
			08/01/14	135,000	3.60					
			08/01/15	140,000	5.00					
			08/01/16	145,000	5.00					
			08/01/17	155,000	5.00					
			08/01/18	160,000	5.00					
			08/01/19	170,000	4.00					
			08/01/20	175,000	4.00					
			08/01/21	185,000	5.00					
			08/01/22	195,000	5.00					
			08/01/23	205,000	4.25					
			08/01/24	210,000	4.50					
			08/01/25	220,000	4.50					
			08/01/26	230,000	4.50					
			08/01/27	240,000	4.25					
				<u>\$ 2,940,000</u>		<u>2,940,000</u>				<u>2,940,000</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Serial Bonds Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Paid 2010</u>	<u>Amount Defeased</u>	<u>Balance Dec. 31, 2010</u>							
			<u>Date</u>	<u>Amount</u>													
2008 NJEIT Sewer Wastewater Treatment Bonds, Series 2008A	11/08/08	\$ 6,110,000	08/01/11	\$ 215,000	5.00%												
			08/01/12	225,000	5.00												
			08/01/13	235,000	5.00												
			08/01/14	250,000	5.00												
			08/01/15	260,000	5.00												
			08/01/16	275,000	5.00												
			08/01/17	290,000	5.00												
			08/01/18	305,000	5.00												
			08/01/19	320,000	5.25												
			08/01/20	335,000	5.50												
			08/01/21	350,000	5.50												
			08/01/22	370,000	5.50												
			08/01/23	390,000	5.50												
			08/01/24	415,000	5.00												
			08/01/25	435,000	5.00												
			08/01/26	455,000	5.00												
			08/01/27	480,000	5.00												
			08/01/28	505,000	5.00												
											<u>\$ 6,110,000</u>			<u>\$ 6,110,000</u>			<u>\$ 6,110,000</u>
			2008 County Agreement Sewer Revenue Refunding Bonds (Series 2008)	06/11/08	64,885,000						07/15/11	\$ 6,470,000	5.00%				
07/15/12	6,795,000	5.10															
07/15/13	7,140,000	5.10															
07/15/14	7,505,000	5.20															
07/15/15	7,895,000	5.20															
07/15/16	8,305,000	5.25															
07/15/17	8,740,000	5.25															
						<u>\$ 52,850,000</u>			<u>59,010,000</u>	<u>\$ 6,160,000</u>	<u>52,850,000</u>						

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Serial Bonds Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Paid 2010</u>	<u>Amount Defeased</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>						
2010 NJEIT Sewer Wastewater Treatment Bonds, Series 2010A	03/20/10	\$ 2,105,000	08/01/11	\$ 70,000	4.00%					
			08/01/12	75,000	5.00					
			08/01/13	80,000	5.00					
			08/01/14	80,000	5.00					
			08/01/15	85,000	5.00					
			08/01/16	90,000	5.00					
			08/01/17	95,000	5.00					
			08/01/18	100,000	5.00					
			08/01/19	105,000	4.00					
			08/01/20	110,000	5.00					
			08/01/21	115,000	3.00					
			08/01/22	120,000	4.00					
			08/01/23	125,000	4.00					
			08/01/24	130,000	4.00					
			08/01/25	135,000	4.00					
			08/01/26	140,000	3.50					
			08/01/27	145,000	4.00					
			08/01/28	150,000	4.00					
			08/01/29	155,000	4.00					
							<u>\$ 2,105,000</u>			<u>\$ 2,105,000</u>
2010 NJEIT Sewer Wastewater Treatment Bonds, Series 2010C	12/02/10	4,865,000	08/01/12	\$ 160,000	5.00%					
			08/01/13	165,000	5.00					
			08/01/14	175,000	5.00					
			08/01/15	185,000	5.00					
			08/01/16	195,000	5.00					
			08/01/17	205,000	5.00					
			08/01/18	215,000	5.00					
			08/01/19	225,000	5.00					
			08/01/20	235,000	5.00					
			08/01/21	245,000	5.00					
			08/01/22	260,000	5.00					
			08/01/23	270,000	5.00					
			08/01/24	285,000	5.00					
			08/01/25	300,000	5.00					
			08/01/26	315,000	5.00					
			08/01/27	330,000	5.00					
			08/01/28	350,000	5.00					
			08/01/29	365,000	5.00					
08/01/30	385,000	5.00								
				<u>\$ 4,865,000</u>			<u>4,865,000</u>		<u>4,865,000</u>	

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Serial Bonds Payable
December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Jan. 1, 2010	Bonds Issued	Paid 2010	Amount Defeased	Balance Dec. 31, 2010
			Date	Amount						
2010 NJEIT Sewer Wastewater Treatment Refunding 2003A Bonds, Series 2010A	08/18/10	\$ 1,465,000	08/01/11	\$ 65,000	5.00%					
			08/01/12	70,000	5.00					
			08/01/13	65,909	5.00					
			08/01/14	70,635	5.00					
			08/01/15	75,353	4.00					
			08/01/16	75,793	4.00					
			08/01/17	81,553	4.20					
			08/01/18	86,296	4.25					
			08/01/19	91,375	5.00					
			08/01/20	96,265	5.00					
			08/01/21	101,053	4.50					
			08/01/22	100,449	4.75					
			08/01/23	104,291	4.75					
							<u>\$ 1,083,972</u>			
2010 NJEIT Sewer Wastewater Treatment Refunding 2006A Bonds, Series 2010A	08/18/10	9,750,000	08/01/11	\$ 405,000	5.00%					
			08/01/12	430,000	5.00					
			08/01/13	450,000	5.00					
			08/01/14	470,000	5.00					
			08/01/15	495,000	5.00					
			08/01/16	520,000	5.00					
			08/01/17	545,000	4.00					
			08/01/18	570,000	4.00					
			08/01/19	590,000	4.00					
			08/01/20	615,000	4.00					
			08/01/21	640,000	4.13					
			08/01/22	665,000	4.13					
			08/01/23	695,000	4.25					
			08/01/24	609,100	5.00					
08/01/25	760,000	4.25								
08/01/26	790,000	4.25								
				<u>\$ 9,249,100</u>					<u>9,249,100</u>	<u>9,249,100</u>
Grand Total						<u>\$ 176,263,702</u>	<u>\$ 17,303,072</u>	<u>\$ 19,204,896</u>	<u>\$ 10,490,000</u>	<u>\$ 163,871,878</u>

County Agreement Sewer Revenue Refunding Bonds	\$ 126,035,000
County Agreement Sewer Revenue Bonds	4,480,000
NJEIT Refunding Bonds	16,461,878
NJWTT / NJEIT Serial Bonds	16,895,000
	<u>\$ 163,871,878</u>

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Principal Payments 2010</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
1990 NJWTT Loans Series D	10/15/90	\$ 30,730,096			\$ 1,748,524		\$ 1,748,524	\$ -
1991 NJWTT Loans Series B	12/01/91	5,730,078	06/01/11	\$ 310,161				
				\$ 310,161	620,999	310,838	310,161	
1992 NJWTT Loans Series B	11/01/92	4,277,625	05/15/11	\$ 228,143				
			11/15/11	7,260				
			05/15/12	235,042				
				\$ 470,445	705,337	234,892	470,445	
1995 NJWTT Loan Series B	11/09/95	2,220,335	02/01/11	\$ 16,317				
			08/01/11	96,237				
			02/01/12	13,520				
			08/01/12	101,432				
			02/01/13	10,443				
			08/01/13	103,683				
			02/01/14	7,179				
			08/01/14	105,747				
			02/01/15	3,730				
			08/01/15	110,290				
				\$ 568,577	681,024	112,447	568,577	
1996 NJWTT Loan Series A	10/15/96	3,445,535			151,224		151,224	-

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Principal Payments 2010</u>	<u>Balance Dec. 31, 2010</u>						
			<u>Date</u>	<u>Amount</u>										
2000 NJEIT Loan Series 2000A-2	11/09/00	\$ 2,908,943	02/01/11	\$ 31,786										
			08/01/11	130,458										
			02/01/12	29,319										
			08/01/12	132,580										
			02/01/13	26,738										
			08/01/13	134,588										
			02/01/14	24,041										
			08/01/14	136,481										
			02/01/15	21,230										
			08/01/15	140,555										
			02/01/16	18,173										
			08/01/16	144,381										
			02/01/17	14,938										
			08/01/17	145,736										
			02/01/18	11,505										
			08/01/18	149,187										
			02/01/19	7,891										
			08/01/19	154,752										
			02/01/20	4,036										
			08/01/20	73,835										
				<u>\$ 1,532,210</u>	<u>\$ 1,694,569</u>	<u>\$ 162,359</u>	<u>\$ 1,532,210</u>							
2000 NJEIT Loan Series 2000B-2	11/09/00	\$ 3,501,500	02/01/11	\$ 37,386										
			08/01/11	154,255										
			02/01/12	34,465										
			08/01/12	154,409										
			02/01/13	31,466										
			08/01/13	157,561										
			02/01/14	28,314										
			08/01/14	160,560										
			02/01/15	25,008										
			08/01/15	166,480										
			02/01/16	21,382										
			08/01/16	169,006										
			02/01/17	17,599										
			08/01/17	171,374										
			02/01/18	13,563										
			08/01/18	80,212										
											<u>\$ 1,423,040</u>	<u>\$ 1,614,067</u>	<u>\$ 191,027</u>	<u>\$ 1,423,040</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Principal Payments 2010</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
2003 NJEIT Loan Series 2003	11/08/03	\$ 3,755,879	02/01/11	\$ 44,842				
			08/01/11	155,916				
			02/01/12	42,065				
			08/01/12	161,683				
			02/01/13	39,075				
			08/01/13	158,693				
			02/01/14	36,084				
			08/01/14	164,247				
			02/01/15	32,880				
			08/01/15	169,587				
			02/01/16	30,146				
			08/01/16	166,853				
			02/01/17	27,412				
			08/01/17	172,663				
			02/01/18	24,362				
			08/01/18	178,157				
			02/01/19	21,093				
			08/01/19	183,433				
			02/01/20	17,035				
			08/01/20	187,918				
			02/01/21	12,763				
			08/01/21	192,190				
			02/01/22	8,726				
			08/01/22	188,153				
02/01/23	4,464							
08/01/23	192,436							
			<u>\$ 2,612,876</u>		<u>\$ 2,816,966</u>		<u>\$ 204,090</u>	<u>\$ 2,612,876</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Principal Payments 2010</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
2006 NJEIT Loan Series 2006B	11/09/06	\$ 25,351,847	02/01/11	\$ 376,898	\$ 25,351,847			\$ 23,864,060
			08/01/11	1,109,803				
			02/01/12	358,575				
			08/01/12	1,136,722				
			02/01/13	339,121				
			08/01/13	1,153,461				
			02/01/14	318,763				
			08/01/14	1,169,295				
			02/01/15	297,500				
			08/01/15	1,193,273				
			02/01/16	275,105				
			08/01/16	1,216,120				
			02/01/17	251,580				
			08/01/17	1,237,836				
			02/01/18	231,855				
			08/01/18	1,263,352				
			02/01/19	211,225				
			08/01/19	1,278,914				
			02/01/20	189,871				
			08/01/20	1,302,802				
			02/01/21	167,613				
			08/01/21	1,325,784				
			02/01/22	143,725				
			08/01/22	1,347,138				
			02/01/23	118,905				
			08/01/23	1,376,607				
			02/01/24	92,179				
08/01/24	1,395,122							
02/01/25	59,605							
08/01/25	1,434,934							
02/01/26	30,379							
08/01/26	1,459,998							
				<u>\$ 23,864,060</u>	<u>\$ 25,351,847</u>		<u>\$ 1,487,787</u>	<u>\$ 23,864,060</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Principal Payments 2010</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
2007 NJEIT Loan Series 2007A	11/08/07	\$ 7,612,500	02/01/11	\$ 116,910				
			08/01/11	330,977				
			02/01/12	111,558				
			08/01/12	334,545				
			02/01/13	107,767				
			08/01/13	339,673				
			02/01/14	103,709				
			08/01/14	344,534				
			02/01/15	99,374				
			08/01/15	349,119				
			02/01/16	93,130				
			08/01/16	351,795				
			02/01/17	86,664				
			08/01/17	363,167				
			02/01/18	79,751				
			08/01/18	365,174				
			02/01/19	72,616				
			08/01/19	375,877				
			02/01/20	66,550				
			08/01/20	378,732				
			02/01/21	60,307				
			08/01/21	390,327				
			02/01/22	52,056				
			08/01/22	399,915				
			02/01/23	43,360				
			08/01/23	409,058				
			02/01/24	35,589				
			08/01/24	410,206				
			02/01/25	27,160				
			08/01/25	419,616				
02/01/26	18,329							
08/01/26	428,625							
02/01/27	9,098							
08/01/27	437,232							
				<u>\$ 7,612,500</u>				<u>\$ 7,612,500</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Principal Payments 2010</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
2008 NJEIT Loan Series 2008A	11/06/08	\$ 16,042,800	02/01/11	\$ 264,366				
			08/01/11	626,943				
			02/01/12	255,301				
			08/01/12	634,743				
			02/01/13	245,815				
			08/01/13	642,121				
			02/01/14	235,907				
			08/01/14	657,509				
			02/01/15	225,367				
			08/01/15	663,834				
			02/01/16	214,406				
			08/01/16	678,168				
			02/01/17	202,812				
			08/01/17	691,870				
			02/01/18	190,585				
			08/01/18	704,940				
			02/01/19	177,726				
			08/01/19	717,377				
			02/01/20	163,560				
			08/01/20	728,507				
			02/01/21	148,024				
			08/01/21	738,267				
			02/01/22	131,793				
			08/01/22	755,764				
			02/01/23	114,634				
			08/01/23	772,333				
			02/01/24	96,547				
			08/01/24	796,406				
			02/01/25	79,050				
			08/01/25	812,638				
			02/01/26	60,711				
			08/01/26	828,026				
			02/01/27	41,528				
			08/01/27	851,004				
			02/01/28	21,291				
			08/01/28	872,927				
				<u>\$ 16,042,800</u>				<u>\$ 16,042,800</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Principal Payments 2010</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
2010 NJEIT Loan Series 2010A	03/20/10	\$ 6,212,000	08/01/11	\$ 73,929				
			02/01/12	36,964				
			08/01/12	73,929				
			02/01/13	36,964				
			08/01/13	73,929				
			02/01/14	36,964				
			08/01/14	73,929				
			02/01/15	36,964				
			08/01/15	73,929				
			02/01/16	36,964				
			08/01/16	73,929				
			02/01/17	36,964				
			08/01/17	73,928				
			02/01/18	36,964				
			08/01/18	73,929				
			02/01/19	36,964				
			08/01/19	73,929				
			02/01/20	36,964				
			08/01/20	73,929				
			02/01/21	36,964				
			08/01/21	73,929				
			02/01/22	36,964				
			08/01/22	73,929				
			02/01/23	36,964				
			08/01/23	73,928				
			02/01/24	36,964				
			08/01/24	73,929				
			02/01/25	36,964				
			08/01/25	73,929				
			02/01/26	36,964				
08/01/26	73,929							
02/01/27	36,964							
08/01/27	73,929							
02/01/28	36,964							
08/01/28	73,928							
02/01/29	36,964							
08/01/29	73,929							
				<u>\$ 2,070,000</u>		<u>\$ 6,212,000</u>	<u>\$ 4,142,000</u>	<u>\$ 2,070,000</u>

(Continued)

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
December 31, 2010

<u>Purpose</u>	<u>Date of Award</u>	<u>Original Award</u>	<u>Loan Payments</u>		<u>Balance Jan. 1, 2010</u>	<u>Bonds Issued</u>	<u>Principal Payments 2010</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
2010 NJEIT Loan Series Fall 2010B	03/20/10	\$ 14,867,980	02/01/12	\$ 260,842				
			08/01/12	521,683				
			02/01/13	260,842				
			08/01/13	521,683				
			02/01/14	260,842				
			08/01/14	521,683				
			02/01/15	260,842				
			08/01/15	521,684				
			02/01/16	260,842				
			08/01/16	521,683				
			02/01/17	260,842				
			08/01/17	521,683				
			02/01/18	260,842				
			08/01/18	521,683				
			02/01/19	260,842				
			08/01/19	521,684				
			02/01/20	260,842				
			08/01/20	521,683				
			02/01/21	260,842				
			08/01/21	521,683				
			02/01/22	260,842				
			08/01/22	521,683				
			02/01/23	260,842				
			08/01/23	521,684				
			02/01/24	260,842				
			08/01/24	521,683				
			02/01/25	260,842				
			08/01/25	521,683				
			02/01/26	260,842				
			08/01/26	521,683				
			02/01/27	260,842				
			08/01/27	521,684				
			02/01/28	260,842				
08/01/28	521,683							
02/01/29	260,842							
08/01/29	521,683							
02/01/30	260,842							
08/01/30	521,684							
				<u>\$ 14,867,980</u>		<u>\$ 14,867,980</u>		<u>\$ 14,867,980</u>
Grand Total				<u>\$ 59,039,857</u>	<u>\$ 21,079,980</u>	<u>\$ 8,745,188</u>	<u>\$ 71,374,649</u>	
Cash Payments						\$ 4,603,188		
Contributed Capital - ARRA Funding						<u>4,142,000</u>		
						<u>\$ 8,745,188</u>		

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
 Schedule of Capital Appreciation Bonds
 December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds</u>		<u>Bond Accretion</u>		<u>Balance Jan. 1, 2010</u>	<u>Accretion 2010</u>	<u>Paid 2010</u>	<u>Balance Dec. 31, 2010</u>
			<u>Date</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>				
1990 Capital Appreciation Bonds Series A	02/22/90	\$ 115,830,388	09/01/11	\$ 14,025,000	2011	\$ 6,247,200				
			09/01/12	14,025,000	2012	5,664,821				
			09/01/13	14,025,000	2013	5,038,852				
			09/01/14	14,020,000	2014	4,366,146				
			09/01/15	14,015,000	2015	3,643,462				
			09/01/16	14,020,000	2016	2,866,799				
			09/01/17	14,020,000	2017	2,031,748				
			09/01/18	10,725,000	2018	1,214,837				
			09/01/19	10,725,000	2019	502,814				
						<u>\$ 119,600,000</u>		<u>\$ 31,576,679</u>	<u>\$ 95,254,541</u>	<u>\$ 6,788,780</u>
1990 Capital Appreciation Bonds Series B	02/22/90	121,677,020	09/01/11	\$ 18,545,000	2011	\$ 7,083,813				
			09/01/12	18,545,000	2012	6,225,642				
			09/01/13	18,545,000	2013	5,303,236				
			09/01/14	18,545,000	2014	4,311,780				
			09/01/15	18,545,000	2015	3,246,110				
			09/01/16	18,545,000	2016	2,100,652				
			09/01/17	18,545,000	2017	869,450				
						<u>\$ 129,815,000</u>		<u>\$ 29,140,683</u>	<u>111,337,107</u>	<u>7,882,210</u>
					Grand Total	<u>\$ 206,591,648</u>	<u>\$ 14,670,990</u>	<u>\$ 32,565,000</u>	<u>\$ 188,697,638</u>	

1990 Capital Appreciation Bonds \$ 188,697,638

**CAMDEN COUNTY
MUNICIPAL UTILITIES AUTHORITY**

PART 2

SINGLE AUDIT SECTION

**FOR THE YEAR ENDED
DECEMBER 31, 2010**

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

The Chairwoman and Commissioners of the
Camden County Municipal Utilities Authority
Camden, New Jersey 08101

Compliance

We have audited the compliance of the Camden County Municipal Utilities Authority, in the County of Camden, State of New Jersey, with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the Authority's major federal and state programs for the year ended December 31, 2010. The Authority's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Camden County Municipal Utilities Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion the Camden County Municipal Utilities Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2010.

Internal Control Over Compliance

The management of the Camden County Municipal Utilities Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management of the Authority, Local Finance Board, Department of Community Affairs, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
April 29, 2011

Camden County Municipal Utilities Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

<u>Federal Grantor/ Pass-Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity ID Number</u>	<u>Local Government Identifying Number</u>	<u>Program or Award Amount</u>	<u>Matching Contribution</u>
<u>U.S. Department of Commerce</u>					
Economic Development Administration					
Public Works Grant -					
Rehabilitation of Sewer Lines to Facilitate Development of Campbells Gateway Office Park	11.300	01-01-08711	0132-0005	\$ 2,678,107	\$ 669,893
<u>U.S. Department of Environmental Protection Agency</u>					
Pass Through N.J. Department of Environmental Protection Agency					
Capitalization Grants of Clean Water - ARRA (Biofilter Facility)	66.458	640-11	0135-0009	6,212,000	
Capitalization Grants of Clean Water (Pure Oxygen)	66.458	640-09	0132-052, 056	7,612,500	
Capitalization Grants of Clean Water (Supplemental Loan)	66.458	640-6,9,11-1	0132-052, 056	14,867,980	
Total U.S. Department of Environmental Protection Agency					
Total Federal Awards					

The accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Key:

(1) Transfer from Schedule B, Schedule of Expenditures of State Financial Assistance

<u>Grant Period</u>		<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Receipts or</u> <u>Revenue</u> <u>Recognized</u>	<u>Key</u>	<u>Adjustment</u>	<u>Disbursements</u> <u>Expenditures</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>(Memo Only)</u>	
<u>From</u>	<u>To</u>							<u>Cash Received</u> <u>(Memo Only)</u>	<u>Accumulated</u> <u>Expenditures</u>
06/01/09	12/31/11	\$ 3,348,000				\$ 1,113,715	\$ 2,234,285		\$ 1,113,715
11/01/09	01/15/12		\$ 6,212,000			6,212,000	-	\$ 6,212,000	6,212,000
11/01/07	08/01/27			1	\$ 5,477,474	1,451,226	4,026,248	1,451,226	3,586,252
11/01/10	08/01/30		14,867,980			5,378,192	9,489,788		5,378,192
		-	21,079,980		5,477,474	13,041,418	13,516,036	7,663,226	15,176,444
		\$ 3,348,000	\$ 21,079,980		\$ 5,477,474	\$ 14,155,133	\$ 15,750,321	\$ 7,663,226	\$ 16,290,159

Camden County Municipal Utilities Authority
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2010

<u>State Grantor/ Program Title</u>	<u>State GMIS Number</u>	<u>Pass-through Grantors' Number</u>	<u>Local Government Identifying Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>	
					<u>From</u>	<u>To</u>
<u>Department of Environmental Protection:</u>						
NJ Environmental Infrastructure Trust Program:						
Winslow Sewer Treatment Plant Expansion	N/A	640-05	0132-052, 056	\$ 6,678,630	11/01/00	11/01/20
Various Plant Improvements	N/A	640-08-1	0132-052, 056	937,858	11/01/06	08/01/26
Sludge Collection & Scum Removal System Upgrade	N/A	709-03	0132-052, 056	12,342,856	11/01/06	08/01/26
Combined Sewer Solids & Floatables Control Facilities	N/A	709-04	0132-052, 056	21,197,797	11/01/06	08/01/26
Upgrade of Pure Oxygen System and Replace Aeration Blades	N/A	640-09	0132-052, 056	2,740,500	11/01/07	08/01/27
Construction of a New Sludge Drying Facility	N/A	640-06	0132-052, 056	22,152,800	11/01/08	08/01/28
Biofilter Facility	N/A	640-11	0132-052, 056	2,071,000	11/01/09	08/01/29
Supplemental Grant for Sludge Drying, Pure Oxygen System, Passed thru City of Camden:	N/A	640-06,09,11-1	0132-052, 056	4,955,993	11/01/10	08/01/30
Central Gateway Project	N/A	366-08	0132-013	3,334,000	11/01/08	08/01/28
Total Department of Environmental Protection						
<u>Pinelands Infrastructure Trust Fund</u>						
Municipal Finance & Construction Element						
Elimination of the Ancora Sewage Treatment Plant	5040424800003	PI-09-001	0132-006	10,000,000	07/01/09	06/30/14
<u>Sewage Infrastructure Improvement Act:</u>						
Combined Sewer Overflow	N/A	CSO-04-01	0132-006	1,071,481	01/06/05	01/06/08
Total State Financial Assistance						

The accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

- Key:
- (1) Cancellation of Request for Reimbursement from State Grantor
 - (2) Transfer to Schedule A, Schedule of Expenditures of Federal Awards
 - (3) Refund of Prior Year Expenditure

Balance Dec. 31, 2009	Receipts or Revenue Recognized	Key	Adjustment	Disbursements Expenditures	NJ EIT Loan Receivable Dec. 31, 2010		Cash Received (Memo Only)	Accumulated Expenditures
					Unreimbursed Expenditures	Project Funds Balance		
\$ 193,088						\$ 193,088		\$ 6,485,542
575,656						575,656		362,202
907,916						907,916		11,434,940
10,928,632		1	\$ 5,413	\$ 772,570	\$ 61,083	10,161,475	\$ 2,875,141	11,036,322
7,027,800		2,3	(5,201,974)	483,742		1,342,084	483,742	1,398,416
13,118,998		1	116,620	13,235,618		-	15,168,015	22,152,800
	2,071,000	1	36,596	2,107,596		-	2,000,000	2,071,000
	4,955,993			1,792,728		3,163,265		1,792,728
136,718						136,718		3,197,282
32,888,808	7,026,993		(5,043,345)	18,392,254	61,083	16,480,202	20,526,898	59,931,232
5,906,088		1	20,182	2,560,180		3,366,090	3,475,623	6,633,910
236,608						236,608		834,873
\$ 39,031,504	\$ 7,026,993		\$ (5,023,163)	\$ 20,952,434	\$ 61,083	\$ 20,082,900	\$ 24,002,521	\$ 67,400,015

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended December 31, 2010

Note 1: **GENERAL**

The accompanying schedule of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Camden County Municipal Utilities Authority, County of Camden, State of New Jersey. The Authority is defined in the Notes to the Financial Statements, Note 1.

Note 2: **BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards and state financial assistance are presented using the accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Local Finance Board, which is described in the Notes to the Financial Statements, Note 1.

Note 3: **RELATIONSHIP TO FINANCIAL STATEMENTS**

The amounts reported in the accompanying schedules agree with amounts reported in the Authority's financial statements.

Note 4: **RELATIONSHIP TO FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with amounts reported in the related state financial reports.

Note 5: **ADJUSTMENTS**

The adjustments are the result of the transfer of a portion of the 2007 NJEIT grant from the Schedule of State Financial Assistance to the Schedule of Federal Awards to properly reflect the source of the funds. The adjustments also are the result of the NJEIT withholding certain bond funds to pay for bond issuance costs at the time of the sale of bonds and a refund of prior year expenditures.

Note 6: **MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**CAMDEN COUNTY
MUNICIPAL UTILITIES AUTHORITY**

PART 3

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

**FOR THE YEAR ENDED
DECEMBER 31, 2010**

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? ___ yes X no

Were significant deficiencies identified that were not considered to be a material weakness? ___ yes X none reported

Type of auditor's report on compliance for major programs Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB? ___ yes X no

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
Not Available	NJ Environmental Infrastructure Trust Program

Dollar threshold used to determine Type A programs \$ 628,573

Auditee qualified as low-risk auditee? X yes ___ no

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey.

None

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Section 3- Schedule of Federal Award 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 programs, as required by OMB Circular A-133.

None

CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Section 4- Schedule of 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 State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None

**CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management**

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None

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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Authority officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

