

**TOWNSHIP OF HAINESPORT
COUNTY OF BURLINGTON**

**REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2020**



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TOWNSHIP OF HAINESPORT
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Hainesport
Hainesport, New Jersey 08036

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Hainesport, in the County of Burlington, State of New Jersey, as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Hainesport, in the County of Burlington, State of New Jersey, as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Hainesport, in the County of Burlington, State of New Jersey, as of December 31, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2020, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Other Matters

Other Information

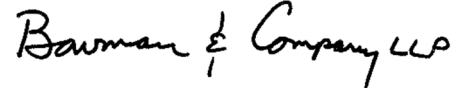
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2021 on our consideration of the Township of Hainesport, in the County of Burlington, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Hainesport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Hainesport's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "R.P. Nehila, Jr.". The signature is written in a cursive, flowing style.

Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 24, 2021

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Hainesport
Hainesport, New Jersey 08036

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Hainesport, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 24, 2021. That report indicated that the Township of Hainesport's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control over Financial Reporting

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

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

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

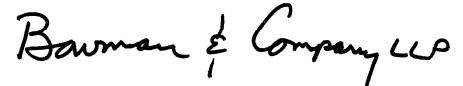
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Hainesport's financial statements are free from 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 financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 24, 2021

TOWNSHIP OF HAINESPORT
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Cash - Treasurer	SA-1	\$ 7,127,627.25	\$ 6,368,615.32
Change Funds	SA-2	300.00	300.00
Investment in Bond Anticipation Note - General Capital Fund	SA-1;SC-9	458,500.00	528,500.00
		<u>7,586,427.25</u>	<u>6,897,415.32</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	241,025.84	226,416.17
Tax Title Liens Receivable	SA-5	105,797.16	83,473.22
Property Acquired for Taxes (Assessed Valuation)	A	445,600.00	445,600.00
Accounts Receivable	A	66.93	66.93
Mortgage Accounts Receivable	SA-16	500.00	9,500.00
Due from Animal Control Fund	B	150.18	150.18
Due from Trust Assessment Fund	SB-12	2,438.16	270.11
Due from General Capital Fund	SC-8	47,875.00	47,875.00
		<u>843,453.27</u>	<u>813,351.61</u>
		<u>8,429,880.52</u>	<u>7,710,766.93</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-19	603,091.50	409,892.76
Due from Current Fund	SA-17	58,298.37	58,610.30
Due from General Capital Fund	C	17,924.79	17,924.79
		<u>679,314.66</u>	<u>486,427.85</u>
		<u>\$ 9,109,195.18</u>	<u>\$ 8,197,194.78</u>

(Continued)

TOWNSHIP OF HAINESPORT
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2020 and 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-7	\$ 750,678.20	\$ 616,102.67
Reserve for Encumbrances	A-3;SA-7	88,819.97	388,931.40
Prepaid Taxes	SA-8	203,997.23	123,437.05
Tax Overpayments	SA-9	55.39	273.13
Due to State of New Jersey			
Senior Citizens and Veterans' Deductions	SA-3	26,033.98	22,576.45
Training Fees- Surcharge	SA-10	40,627.00	1,575.00
Marriage Licenses	SA-15	75.00	100.00
Due County for Added and Omitted Taxes	SA-12	13,647.25	4,696.60
Due Mount Holly MUA	A	3,712.00	3,712.00
Local District School Taxes Payable	SA-13	696,037.17	675,028.67
Regional High School Taxes Payable	SA-14	684,237.70	598,228.70
Due to Federal and State Grant Fund	SA-17	58,298.37	58,610.30
Due from Trust Other Fund	SB-6	2,087.01	3,244.35
Due to Trust - Municipal Open Space Fund	SB-8	1,253.63	320.99
Accounts Payable	SA-1;SA-7	305,873.68	30,714.51
		<u>2,875,433.58</u>	<u>2,527,551.82</u>
Reserve for Receivables and Other Assets	A	843,453.27	813,351.61
Fund Balance	A-1	<u>4,710,993.67</u>	<u>4,369,863.50</u>
		<u>8,429,880.52</u>	<u>7,710,766.93</u>
Federal and State Grant Fund:			
Reserve for Encumbrances	SA-20	68,332.84	14,591.05
Reserve for Federal and State Grants:			
Unappropriated	SA-19		9,316.87
Appropriated	SA-20	<u>610,981.82</u>	<u>462,519.93</u>
		<u>679,314.66</u>	<u>486,427.85</u>
		<u>\$ 9,109,195.18</u>	<u>\$ 8,197,194.78</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF HAINESPORT
CURRENT FUND
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,150,000.00	\$ 910,000.00
Miscellaneous Revenue Anticipated	1,568,022.42	1,134,870.08
Receipts from Delinquent Taxes	164,612.86	185,136.04
Receipts from Current Taxes	18,930,304.03	18,602,042.29
Non-Budget Revenue	285,527.00	307,377.58
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	574,056.33	686,076.02
Mortgage Accounts Receivable	9,000.00	9,000.00
Cancelled Federal and State Appropriated Grant Reserves	34,493.24	
Other		1,014.05
Liquidation of Interfunds:		
Trust Other Fund		96,678.22
Municipal Open Space Trust Fund		182,299.39
Total Income	<u>22,716,015.88</u>	<u>22,114,493.67</u>
<u>Expenditures</u>		
Budget Appropriations:		
Operations - Within "CAPS":		
Salaries and Wages	681,375.00	738,174.00
Other Expenses	1,911,779.00	1,857,430.00
Deferred Charges and Statutory Expenditures Within "CAPS"	147,500.00	127,503.00
Operations - Excluded from "CAPS":		
Other Expenses	560,216.47	466,824.37
Capital Improvements - Excluded from "CAPS"	879,500.00	443,500.00
Deferred Charges - Excluded from "CAPS"	147,438.00	72,438.00
Municipal Debt Service - Excluded from "CAPS"	308,473.34	541,193.17
County Taxes	3,368,313.72	3,365,809.30
Due County for Added and Omitted Taxes	13,647.25	4,696.60
Local District School Taxes	9,143,626.00	9,101,609.00
Regional High School Taxes	3,829,132.00	3,657,114.00
Municipal Open Space Tax	230,725.00	230,715.42
Municipal Open Space Tax - Added Taxes	932.64	320.99
Refund of Prior Year Revenue		19,165.59
Miscellaneous Added Tax Overpayments	59.24	
Interfunds Created:		
Trust Assessment Fund	2,168.05	
Animal Control Fund		150.18
Total Expenditures	<u>21,224,885.71</u>	<u>20,626,643.62</u>
Statutory Excess to Fund Balance	1,491,130.17	1,487,850.05
<u>Fund Balance</u>		
Balance January 1	<u>4,369,863.50</u>	<u>3,792,013.45</u>
	5,860,993.67	5,279,863.50
Decreased by:		
Utilization as Anticipated Revenue	<u>1,150,000.00</u>	<u>910,000.00</u>
Balance December 31	<u>\$ 4,710,993.67</u>	<u>\$ 4,369,863.50</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>Anticipated Special N.J.S.40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 1,150,000.00		\$ 1,150,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	15,000.00		15,500.00	\$ 500.00
Other	9,000.00		17,929.00	8,929.00
Fees and Permits	25,000.00		25,316.40	316.40
Interest on Costs and Taxes	32,000.00		42,054.05	10,054.05
Interest and Costs on Assessments	2,000.00		4,263.29	2,263.29
Interest on Investments and Deposits	30,000.00		54,283.41	24,283.41
Energy Receipts Tax	379,764.00		379,764.00	
Uniform Construction Code Fees	100,000.00		502,606.00	402,606.00
Public and Private Revenues Off-Set with Appropriations:				
Recycling Tonnage Grant	9,316.87		9,316.87	
Community Development Block Grant	75,000.00		75,000.00	
Burlington County Park Grant	100,000.00		100,000.00	
New Jersey DOT - Bancroft Drive		\$ 245,000.00	245,000.00	
Clean Communities Program		13,899.60	13,899.60	
EMMA Emergency Management Subaward Performance Grant		10,000.00	10,000.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Gov't Services - Other Special Items:				
Railroad User Fees	52,000.00		69,899.80	17,899.80
Recreation Fees	20,000.00		3,190.00	(16,810.00)
	<u>849,080.87</u>	<u>268,899.60</u>	<u>1,568,022.42</u>	<u>450,041.95</u>
Receipts from Delinquent Taxes	<u>152,000.00</u>		<u>164,612.86</u>	<u>12,612.86</u>
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>2,499,399.83</u>		<u>2,627,017.50</u>	<u>127,617.67</u>
Budget Totals	4,650,480.70	268,899.60	5,509,652.78	590,272.48
Non-Budget Revenues			285,527.00	285,527.00
	<u>\$ 4,650,480.70</u>	<u>\$ 268,899.60</u>	<u>\$ 5,795,179.78</u>	<u>\$ 875,799.48</u>

(Continued)

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2020

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenues from Collections	\$ 18,930,304.03
Allocated to:	
School, County and Local Open Space Taxes	<u>16,586,376.61</u>
	2,343,927.42
Increased by:	
Appropriation "Reserve for Uncollected Taxes"	<u>283,090.08</u>
Amount for Support of Municipal	
Budget Appropriations	<u><u>\$ 2,627,017.50</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 156,971.56
Tax Title Liens	<u>7,641.30</u>
	<u><u>\$ 164,612.86</u></u>

Analysis of Non-Budget Revenues

Receipts:	
Miscellaneous Revenue not Anticipated:	
Cable Franchise Fees	\$ 38,486.62
Facility Use Fees	900.00
PILOT - Davenport Village	65,083.25
PILOT - Oaks Integrated	2,000.00
LEA Rebates	22,051.62
NJEIT Savings Credits:	
Applied to Interest on Loans	1,728.30
Applied to Principal on Loans	92,569.46
NJEIT Earnings Credits:	
Applied to Principal on Loans	12,839.98
Senior Citizen and Vet Admin Fee	1,253.78
JIF Dividend	15,343.00
Vacant Property Fees	19,500.00
Scrap Metal	253.28
Miscellaneous	<u>13,517.71</u>
	<u><u>\$ 285,527.00</u></u>

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

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
OPERATIONS - WITHIN "CAPS"						
General Government						
Administrative and Executive:						
Salaries and Wages	\$ 94,925.00	\$ 62,725.00	\$ 62,562.39		\$ 162.61	
Other Expenses	6,250.00	6,250.00	3,597.85		2,652.15	
Mayor and Committee:						
Salaries and Wages	26,000.00	26,000.00	25,675.02		324.98	
Other Expenses	14,700.00	14,700.00	9,543.20	\$ 215.50	4,941.30	
Municipal Clerk:						
Salaries and Wages	42,000.00	75,000.00	74,157.57		842.43	
Other Expenses	18,825.00	18,825.00	6,566.45	721.76	11,536.79	
Elections	3,750.00	3,750.00	2,664.08		1,085.92	
Financial Administration:						
Salaries and Wages	56,294.00	56,294.00	55,388.16		905.84	
Other Expenses	44,150.00	44,150.00	28,279.17	791.72	15,079.11	
Annual Audit	39,000.00	39,000.00	37,975.00		1,025.00	
Computerized Data Processing:						
Salaries and Wages	3,250.00	3,250.00	3,230.02		19.98	
Other Expenses	13,300.00	13,300.00	12,286.00		1,014.00	
Assessment of Taxes:						
Salaries and Wages	27,971.00	27,971.00	27,969.76		1.24	
Other Expenses	3,550.00	3,550.00	1,213.60	1,440.00	896.40	
Collection of Taxes:						
Salaries and Wages	41,600.00	43,600.00	43,569.26		30.74	
Other Expenses	12,450.00	12,450.00	8,134.92	263.71	4,051.37	
Legal Services and Costs:						
Other Expenses	91,000.00	91,000.00	54,505.04	3,289.27	33,205.69	
Engineering Services and Costs:						
Other Expenses	120,000.00	120,000.00	81,439.01	31,370.66	7,190.33	
Economic Development:						
Other Expenses	2,500.00	2,500.00			2,500.00	
Land Use Administration						
Planning Board:						
Salaries and Wages	10,000.00	10,000.00	9,899.52		100.48	
Other Expenses	67,850.00	67,850.00	11,253.37	238.68	56,357.95	
Zoning Officer:						
Salaries and Wages	10,900.00	10,900.00	10,874.76		25.24	
Other Expenses	1,200.00	1,200.00	327.75		872.25	
COAH Administration:						
Salaries and Wages	10,000.00	10,000.00			10,000.00	
Other Expenses	13,700.00	13,700.00			13,700.00	

(Continued)

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Insurance</u>						
Liability Insurance	\$ 121,329.00	\$ 121,329.00	\$ 101,763.53	\$ 547.63	\$ 19,017.84	
Group Insurance Plan for Employees	250,000.00	236,650.00	167,250.05	10,559.31	58,840.64	
<u>Public Safety</u>						
Police:						
Salaries and Wages	5,000.00	5,000.00	3,944.15		1,055.85	
Other Expenses	250.00	250.00			250.00	
Office of Emergency Management Services:						
Salaries and Wages	1,000.00	1,000.00			1,000.00	
Other Expenses	1,000.00	3,500.00	2,865.64		634.36	
Aid to Volunteer Fire Company	90,000.00	90,000.00	90,000.00			
First Aid Organization-Contribution	30,000.00	30,000.00			30,000.00	
Fire Marshall:						
Salaries and Wages	23,650.00	23,650.00	23,639.98		10.02	
Other Expenses	134,550.00	134,550.00	86,262.67	9,435.25	38,852.08	
<u>Public Works</u>						
Road Repair and Maintenance:						
Salaries and Wages	265,000.00	265,000.00	242,253.05		22,746.95	
Other Expenses	48,300.00	48,300.00	7,192.02	656.32	40,451.66	
Solid Waste Collection - Contractual	186,000.00	186,000.00	141,270.95	12,584.85	32,144.20	
Recycling Program:						
Other Expenses	10,000.00	10,000.00			10,000.00	
Public Buildings and Grounds:						
Other Expenses	42,000.00	42,000.00	33,058.50	6,201.32	2,740.18	
Vehicle Maintenance:						
Other Expenses	23,500.00	23,500.00	13,315.34	663.73	9,520.93	
<u>Health and Welfare</u>						
Board of Health:						
Other Expenses	225.00	225.00	45.00		180.00	
Employee Immunization:						
Other Expenses	1,000.00	1,000.00			1,000.00	
Environmental Commission:						
Other Expenses	1,200.00	1,200.00	375.00		825.00	
Aid to Social Service Agencies	700.00	700.00	560.00		140.00	
Parks and Recreation:						
Salaries and Wages	15,000.00	15,000.00	7,624.41		7,375.59	
Other Expenses	34,500.00	34,500.00	8,549.50	240.00	25,710.50	
Celebration of Public Events:						
Other Expenses	1,000.00	1,000.00			1,000.00	
Animal Control Regulation:						
Salaries and Wages	1,000.00	1,000.00			1,000.00	
Other Expenses	1,000.00	1,000.00			1,000.00	

(Continued)

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Utility Expenses and Bulk Purchases</u>						
Postage	\$ 20,000.00	\$ 20,000.00	\$ 12,282.97	\$ 490.95	\$ 7,226.08	
Electricity	40,000.00	40,000.00	22,684.51		17,315.49	
Street Lighting	120,000.00	120,000.00	93,118.75		26,881.25	
Telephone	20,000.00	20,000.00	11,782.02		8,217.98	
Water	6,000.00	6,000.00	4,355.25	371.63	1,273.12	
Gas	15,000.00	15,000.00	5,822.21		9,177.79	
Gasoline	30,000.00	30,000.00	10,274.70	2,502.78	17,222.52	
Landfill/Solid Waste Disposal Costs	220,000.00	228,000.00	205,844.76		22,155.24	
<u>Uniform Construction Code -</u>						
<u>Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4-17)</u>						
State Uniform Construction Code:						
Construction Official						
Salaries and Wages	36,735.00	36,785.00	36,735.14		49.86	
Other Expenses	14,350.00	14,350.00	7,163.08	234.90	6,952.02	
Code Enforcement Officer:						
Salaries and Wages	8,200.00	8,200.00	8,109.92		90.08	
Other Expenses	500.00	500.00	33.03		466.97	
Total Operations - Within "CAPS"	2,593,154.00	2,593,154.00	1,919,288.03	82,819.97	591,046.00	-
Detail:						
Salaries and Wages	678,525.00	681,375.00	635,633.11		45,741.89	
Other Expenses	1,914,629.00	1,911,779.00	1,283,654.92	82,819.97	545,304.11	
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	75,000.00	75,000.00	72,258.21		2,741.79	
Social Security System (O.A.S.I.)	65,000.00	65,000.00	47,182.97		17,817.03	
Defined Contribution Retirement Program	2,500.00	2,500.00	1,577.60		922.40	
Unemployment Compensation Insurance	5,000.00	5,000.00	609.40		4,390.60	
Total Deferred Charges and Statutory Expenditures						
Municipal - Within "CAPS"	147,500.00	147,500.00	121,628.18	-	25,871.82	-
Total General Appropriations for Municipal Purposes						
Within "CAPS"	2,740,654.00	2,740,654.00	2,040,916.21	82,819.97	616,917.82	-

(Continued)

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
NJPDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):						
Other Expenses	\$ 20,000.00	\$ 20,000.00	\$ 1,050.00	\$ 6,000.00	\$ 12,950.00	
Construction Office - Interlocal Service Agreement:						
Other Expenses	85,000.00	85,000.00	81,054.38		3,945.62	
<u>Public and Private Programs Off-Set by Revenues:</u>						
Municipal Alliance on Alcoholism and Drug Abuse - Local Share	2,000.00	2,000.00	2,000.00			
Recycling Tonnage Grant	9,316.87	9,316.87	9,316.87			
Burlington County Park Grant	100,000.00	100,000.00	100,000.00			
Community Development Block Grant	75,000.00	75,000.00	75,000.00			
Clean Communities Program (N.J.S.A. 40A:4-87)		13,899.60	13,899.60			
NJ DOT Grant - Bancroft Drive (N.J.S.A. 40A:4-87)		245,000.00	245,000.00			
Emergency Management Subaward Performance Grant (N.J.S.A. 40A:4-87)		10,000.00	10,000.00			
Total Operations - Excluded from "CAPS"	291,316.87	560,216.47	537,320.85	6,000.00	16,895.62	-
<u>Detail:</u>						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	291,316.87	560,216.47	537,320.85	6,000.00	16,895.62	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	700,000.00	700,000.00	700,000.00			
Acquisition of Computers and Equipment	7,500.00	7,500.00	3,304.95		4,195.05	
Acquisition of Equipment and Vehicles	60,000.00	60,000.00	59,330.29		669.71	
Acquisition of Traffic Calming Devices	12,000.00	12,000.00			12,000.00	
Acquisition of Fire Safety Equipment	10,000.00	10,000.00			10,000.00	
Stormwater Pipe Lining - Bancroft Lane	50,000.00	50,000.00			50,000.00	
Sewer Slip-Lining Edwin	40,000.00	40,000.00			40,000.00	
Total Capital Improvements Excluded from "CAPS"	879,500.00	879,500.00	762,635.24	-	116,864.76	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	212,498.00	212,498.00	212,498.00			
Interest on Bonds	50,350.00	50,350.00	50,350.00			
Interest on Notes	14,533.75	14,533.75	14,533.75			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	31,100.00	31,100.00	31,091.59			\$ 8.41
Total Municipal Debt Service Excluded from "CAPS"	308,481.75	308,481.75	308,473.34	-	-	8.41

(Continued)

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
DEFERRED CHARGES - EXCLUDED FROM "CAPS"						
Ord 2000-13-8 (Construction of Sewerage Conveyance System)	\$ 72,438.00	\$ 72,438.00	\$ 72,438.00			
Ord 2009-08-11 (Various Capital Projects)	75,000.00	75,000.00	75,000.00			
Total Deferred Charges - Excluded from "CAPS"	147,438.00	147,438.00	147,438.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,626,736.62	1,895,636.22	1,755,867.43	\$ 6,000.00	\$ 133,760.38	\$ 8.41
Subtotal General Appropriations	4,367,390.62	4,636,290.22	3,796,783.64	88,819.97	750,678.20	8.41
Reserve for Uncollected Taxes	283,090.08	283,090.08	283,090.08			
Total General Appropriations	<u>\$ 4,650,480.70</u>	<u>\$ 4,919,380.30</u>	<u>\$ 4,079,873.72</u>	<u>\$ 88,819.97</u>	<u>\$ 750,678.20</u>	<u>\$ 8.41</u>
Emergency Authorizations (40A:4-48)						
Budget		\$ 4,650,480.70				
Appropriation by 40A:4-87		268,899.60				
		<u>\$ 4,919,380.30</u>				
Reserve for Federal and State Grants Appropriated			\$ 453,216.47			
Reserve for Uncollected Taxes			283,090.08			
Refunds of Current Year Appropriations			(26,170.13)			
Disbursed			3,369,737.30			
			<u>\$ 4,079,873.72</u>			

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

TOWNSHIP OF HAINESPORT
TRUST FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Assessment Fund:			
Cash	SB-1; SB-3	\$ 490,109.70	\$ 657,880.44
Due Bank	B	0.50	0.50
Assessments Receivable	SB-10	6,648.67	126,562.89
		<u>496,758.87</u>	<u>784,443.83</u>
Animal Control Trust Fund:			
Cash	SB-1	6,313.32	10,380.73
Other Funds:			
Cash - Treasurer	SB-1	1,086,868.51	753,074.78
Cash - Collector	SB-2	113,939.89	67,217.27
Due from Current Fund	SB-6	2,087.01	3,244.35
		<u>1,202,895.41</u>	<u>823,536.40</u>
Municipal Open Space Fund:			
Cash	SB-1	749,883.11	691,309.34
Due from General Capital Fund	C	65,000.00	65,000.00
Due from Current Fund	SB-8	1,253.63	320.99
		<u>816,136.74</u>	<u>756,630.33</u>
		<u>\$ 2,522,104.34</u>	<u>\$ 2,374,991.29</u>

(Continued)

TOWNSHIP OF HAINESPORT
TRUST FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2020 and 2019

<u>LIABILITIES AND RESERVES</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Assessment Fund:			
Due Current Fund	SB-12	\$ 2,438.16	\$ 270.11
Waste Water Treatment Loans Payable	SB-11	319,327.80	626,829.80
Reserve for Payment of Debt Service	SB-1	17,648.99	
Fund Balance	B	<u>157,343.92</u>	<u>157,343.92</u>
		<u>496,758.87</u>	<u>784,443.83</u>
Animal Control Trust Fund			
Due to State of New Jersey	SB-5	16.20	11.40
Due to Current Fund	A	150.18	150.18
Reserve for Animal Control Fund Expenditures	SB-4	<u>6,146.94</u>	<u>10,219.15</u>
		<u>6,313.32</u>	<u>10,380.73</u>
Other Funds:			
Due to Public Assistance Fund - Recreation Account	F	3,271.82	3,271.82
Reserve for Planning and Zoning Board Escrow	SB-7	383,151.73	177,224.25
Reserve for Recreation Commission	SB-7	77,186.43	86,061.21
Reserve for Affordable Housing	SB-7	615,272.65	480,716.46
Reserve for Fire Safety Fund	SB-7	3,972.88	3,972.88
Premiums Received at Tax Sale	SB-7	110,700.00	64,300.00
Tax Title Lien Redemption	SB-7	6,965.90	6,965.90
Reserve for Payroll Deductions	SB-7	<u>2,374.00</u>	<u>1,023.88</u>
		<u>1,202,895.41</u>	<u>823,536.40</u>
Municipal Open Space Fund:			
Reserve for Future Use	SB-10	<u>816,136.74</u>	<u>756,630.33</u>
		<u>816,136.74</u>	<u>756,630.33</u>
		<u>\$ 2,522,104.34</u>	<u>\$ 2,374,991.29</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF HAINESPORT
TRUST ASSESSMENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2020

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Assessment Cash	<u>\$ 307,502.00</u>	<u>\$ 119,914.22</u>	<u>\$ 187,587.78</u>

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

TOWNSHIP OF HAINESPORT
TRUST ASSESSMENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Appropriations</u>				<u>Unexpended</u>
	<u>Original</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
Payment of Bond Principal	<u>\$ 307,502.00</u>	<u>\$ 307,502.00</u>	<u>\$ 307,502.00</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWNSHIP OF HAINESPORT
MUNICIPAL OPEN SPACE TRUST FUND
 Statements of Operations and Changes in Reserve for Future Use - Regulatory Basis
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUE REALIZED:		
Amount to be Raised by Taxation	\$ 231,657.64	\$ 231,036.41
Reserve for Future Use	99,275.00	90,000.00
Interest Income	<u>2,840.55</u>	<u>6,181.16</u>
Total Revenue	<u>333,773.19</u>	<u>327,217.57</u>
EXPENDITURES:		
Budget Appropriations:		
Maintenance of Lands for Recreation and Conservation	104,991.78	67,313.30
Acquisition of Lands for Recreation and Conservation		20,177.21
Payment of Bond Anticipation Notes and Capital Notes	<u>70,000.00</u>	<u>70,000.00</u>
Total Expenditures	<u>174,991.78</u>	<u>157,490.51</u>
Excess to Reserve	158,781.41	169,727.06
RESERVE FOR FUTURE USE:		
Balance January 1,	<u>756,630.33</u>	<u>676,903.27</u>
	915,411.74	846,630.33
Decreased by:		
Reserve for Future Use Anticipated	<u>99,275.00</u>	<u>90,000.00</u>
Balance December 31,	<u><u>\$ 816,136.74</u></u>	<u><u>\$ 756,630.33</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF HAINESPORT
TRUST- MUNICIPAL OPEN SPACE FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2020

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Amount to be Raised by Taxation	\$ 230,725.00	\$ 231,657.64	\$ 932.64
Reserve for Future Use	99,275.00	99,275.00	
Interest Earnings	<u> </u>	<u>2,840.55</u>	<u>2,840.55</u>
	<u><u>\$ 330,000.00</u></u>	<u><u>\$ 333,773.19</u></u>	<u><u>\$ 3,773.19</u></u>

Analysis of Amount to be Raised by Taxation

Current Year Levy	\$ 230,725.00
Added/Omitted Tax Levy	<u>932.64</u>
	<u><u>\$ 231,657.64</u></u>

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

TOWNSHIP OF HAINESPORT
TRUST - MUNICIPAL OPEN SPACE FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Appropriations</u>		<u>Paid or</u>	<u>Unexpended</u>
	<u>Original</u>	<u>Budget After</u>	<u>Charged</u>	<u>Balance</u>
	<u>Budget</u>	<u>Modification</u>		<u>Canceled</u>
Maintenance of Lands for Recreation and Conservation:				
Other Expenses	\$ 170,000.00	\$ 170,000.00	\$ 104,991.78	\$ 65,008.22
Acquisition of Lands for Recreation and Conservation	90,000.00	90,000.00		90,000.00
Payment of Bond Anticipation Notes and Capital Notes	<u>70,000.00</u>	<u>70,000.00</u>	<u>70,000.00</u>	
	<u>\$ 330,000.00</u>	<u>\$ 330,000.00</u>	<u>\$ 174,991.78</u>	<u>\$ 155,008.22</u>
		Disbursements	<u>\$ 174,991.78</u>	

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

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash	SC-1	\$ 573,240.29	\$ 436,601.11
Due from Bank	C	183.63	183.63
Deferred Charges to Future Taxation - Funded	SC-4	266,392.15	508,620.65
Deferred Charges to Future Taxation - Unfunded	SC-5	887,839.51	1,105,277.51
		<u>\$ 1,727,655.58</u>	<u>\$ 2,050,682.90</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Due to Grant Fund	A	\$ 17,924.79	\$ 17,924.79
Due to Current Fund	SC-8	47,875.00	47,875.00
Due to Trust - Municipal Open Space Fund	B	65,000.00	65,000.00
Bond Anticipation Notes	SC-9	458,500.00	528,500.00
Waste Water Treatment Loans Payable	SC-10	220,672.20	433,170.20
Green Acres Assistance Loan Payable	SC-11	45,719.95	75,450.45
Reserve for Encumbrances	SC-6	58,728.43	
Improvement Authorizations:			
Funded	SC-7	186,472.75	
Reserve for Interest	C	24,786.67	24,786.67
Reserve for Preliminary Expenses:			
Purchase of Land for Open Space	C	9,995.26	9,995.26
Capital Improvement Fund	SC-3	510,952.00	672,952.00
Fund Balance	C-1	81,028.53	175,028.53
		<u>\$ 1,727,655.58</u>	<u>\$ 2,050,682.90</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 175,028.53
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>94,000.00</u>
Balance December 31, 2020	<u><u>\$ 81,028.53</u></u>

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

TOWNSHIP OF HAINESPORT
PUBLIC ASSISTANCE TRUST FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Due from Trust Other (Recreation)	B	\$ 3,271.82	\$ 3,271.82
		<u>\$ 3,271.82</u>	<u>\$ 3,271.82</u>
 <u>RESERVES</u>			
Reserve for Public Assistance	F	\$ 3,271.82	\$ 3,271.82
		<u>\$ 3,271.82</u>	<u>\$ 3,271.82</u>

The accompanying Notes to Financial Statement are an integral part of these statements.

TOWNSHIP OF HAINESPORT
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Assets Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2020

	Balance <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2020</u>
General Fixed Assets:				
Land and Improvements	\$ 3,322,089.66			\$ 3,322,089.66
Buildings and Improvements	3,658,741.81	\$ 5,903.00		3,664,644.81
Vehicles	2,347,181.14	28,096.00		2,375,277.14
Machinery and Equipment	<u>324,529.98</u>	<u>11,910.29</u>		<u>336,440.27</u>
Total General Fixed Assets	<u>\$ 9,652,542.59</u>	<u>\$ 45,909.29</u>	<u>\$ -</u>	<u>\$ 9,698,451.88</u>
Total Investments in General Fixed Assets	<u>\$ 9,652,542.59</u>	<u>\$ 45,909.29</u>	<u>\$ -</u>	<u>\$ 9,698,451.88</u>

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

TOWNSHIP OF HAINESPORT
Notes to Financial Statements
For the Year Ended December 31, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Hainesport (hereafter referred to as the "Township") was incorporated in 1924 and is located in southwest New Jersey approximately thirty miles northeast of the City of Philadelphia. The population according to the 2010 census is 6,110.

The form of Government is known as Township pursuant to N.J.S.A. 40A:63-1et seq. The government consists of five Committee Members who are elected at large to three year staggered terms. The Mayor is elected from and by the Members of the Committee and serves a one year term. Under the statutes the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor.

Component Units - The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended.

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

In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

Public Assistance Fund - The public assistance fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

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

Fund Balance - Fund balance included in the current fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Hainesport School District and the Rancocas Valley Regional High School District. For both school districts, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2019 and decreased by the amount deferred at December 31, 2020.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Burlington. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

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

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

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

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

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

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

Note 2: 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 Township's deposits might not be recovered. Although the Township 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 \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2020, the Township's bank balances of \$10,189,789.45 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 9,760,631.06
Uninsured and Uncollateralized	<u>429,158.39</u>
Total	<u>\$ 10,189,789.45</u>

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 2.480</u>	<u>\$ 2.447</u>	<u>\$ 2.377</u>	<u>\$ 2.351</u>	<u>\$ 2.300</u>
Apportionment of Tax Rate:					
Municipal	\$.324	\$.319	\$.325	\$.318	\$.328
County	.439	.439	.429	.431	.430
Local School	1.189	1.184	1.150	1.127	1.082
Regional School	.498	.475	.443	.445	.430
Municipal Open Space	.030	.030	.030	.030	.030

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 769,083,173.00
2019	769,051,395.00
2018	767,891,921.00
2017	767,255,206.00
2016	761,468,346.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 19,156,141.49	\$ 18,930,304.03	98.82%
2019	18,853,105.53	18,602,042.29	98.67%
2018	18,297,904.54	18,071,657.50	98.76%
2017	18,107,136.80	17,916,631.25	98.95%
2016	17,703,301.14	17,502,413.89	98.87%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$ 105,797.16	\$ 241,025.84	\$ 346,823.00	1.81%
2019	83,473.22	226,416.17	309,889.39	1.64%
2018	70,737.24	220,359.92	291,097.16	1.59%
2017	22,581.18	193,328.93	215,910.11	1.19%
2016	35,418.79	195,022.38	230,441.17	1.30%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2020	6
2019	6
2018	8
2017	5
2016	5

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2020	\$ 445,600.00
2019	445,600.00
2018	445,600.00
2017	506,200.00
2016	366,200.00

Note 5: FUND BALANCES APPROPRIATED

The following schedules detail the amount of current fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 4,710,993.67	\$ 1,275,000.00	27.06%
2019	4,369,863.50	1,150,000.00	26.32%
2018	3,792,013.45	910,000.00	24.00%
2017	3,801,906.81	850,000.00	22.36%
2016	3,846,653.23	867,000.00	22.54%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2020:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 50,463.34	\$ 61,639.01
Federal and State Grant	76,223.16	
Trust - Assessment		2,438.16
Trust - Animal Control		150.18
Trust - Municipal Open Space	66,253.63	
Trust - Other	2,087.01	3,271.82
General Capital		130,799.79
Public Assistance	3,271.82	
Totals	<u>\$ 198,298.96</u>	<u>\$ 198,298.96</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2021, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

A substantial number of the Township's employees participate in the Public Employees' Retirement System ("PERS") which is administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS plans' fiduciary net position which can be obtained by writing to or at the following website:

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

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2020 was 15.53% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$81,164.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$71,379.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$39,688.33.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. 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. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2020, employee contributions totaled \$2,121.97, and the Township's contributions were \$1,577.60. There were no forfeitures during the year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$1,209,903.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was .0074193549%, which was an increase of .0000811621% from its proportion measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$34,088.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township's contribution to PERS was \$71,379.00, and was paid on April 1, 2020.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2020, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 22,030.00	\$ 4,279.00
Changes of Assumptions	39,251.00	506,598.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	41,355.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	283,229.00	127,246.00
Township Contributions Subsequent to the Measurement Date	40,582.00	-
	<u>\$ 426,447.00</u>	<u>\$ 638,123.00</u>

Deferred outflows of resources in the amount of \$40,582.00 will be included as a reduction of the net pension liability during the year ending December 31, 2021. This amount was based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2020 to the Township's year end of December 31, 2020.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending <u>Dec 31,</u>	
2021	\$ (108,578.00)
2022	(99,577.00)
2023	(26,093.00)
2024	(11,658.00)
2025	(6,352.00)
	<u>\$ (252,258.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases: ⁽¹⁾	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Through All Future Years	
Investment Rate of Return	7.00%
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

⁽¹⁾ based on years of service

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents the Township's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 1,523,066.00</u>	<u>\$ 1,209,903.00</u>	<u>\$ 944,175.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS' respective fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS pension plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Eight Plan Years)

	Measurement Date Ended June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0074193549%	0.0073381928%	0.0054993736%	0.0067070872%
Township's Proportionate Share of the Net Pension Liability	\$ 1,209,903.00	\$ 1,322,231.00	\$ 1,082,799.00	\$ 1,561,303.00
Township's Covered Payroll (Plan Measurement Period)	\$ 537,996.00	\$ 522,624.00	\$ 387,136.00	\$ 465,776.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	224.89%	253.00%	279.69%	335.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0065116986%	0.0064937693%	0.0080537557%	0.0081402339%
Township's Proportionate Share of the Net Pension Liability	\$ 1,928,578.00	\$ 1,457,721.00	\$ 1,507,883.00	\$ 1,555,760.00
Township's Covered Payroll (Plan Measurement Period)	\$ 453,604.00	\$ 453,580.00	\$ 562,312.00	\$ 562,160.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	425.17%	321.38%	268.16%	276.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Eight Years)***

	Year Ended December 31,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 81,164.00	\$ 71,379.00	\$ 54,701.00	\$ 62,134.00
Township's Contribution in Relation to the Contractually Required Contribution	(81,164.00)	(71,379.00)	(54,701.00)	(62,134.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 522,671.00	\$ 532,476.00	\$ 510,809.00	\$ 436,054.00
Township's Contributions as a Percentage of Covered Payroll	15.53%	13.41%	10.71%	14.25%
	Year Ended December 31,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 57,849.00	\$ 55,829.00	\$ 66,394.00	\$ 61,335.00
Township's Contribution in Relation to the Contractually Required Contribution	(57,849.00)	(55,829.00)	(66,394.00)	(61,335.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 440,279.00	\$ 454,888.00	\$ 471,967.00	\$ 574,248.00
Township's Contributions as a Percentage of Covered Payroll	13.14%	12.27%	14.07%	10.68%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2020 was not available, therefore the information dated June 30, 2019 is disclosed below.

General Information about the OPEB Plan

Plan Description and Benefits Provided - The Township contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the OPEB Plan (Cont'd)**

Plan Description and Benefits Provided (Cont'd) - The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Township was billed monthly by the Plan and paid \$12,220.08 for the year ended December 31, 2019, representing 2.29% of the Township's covered payroll. During the year ended December 31, 2019, retirees were not required to contribute to the Plan.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the OPEB Plan (Cont'd)**

Contributions (Cont'd) - Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The Township does not have a Special Funding Situation within the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2019 the Township's proportionate share of the net OPEB liability was \$1,574,731.00.

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The Township's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the Township's proportion was .011625% which was a decrease of .000928% from its proportion measured as of the June 30, 2018 measurement date.

OPEB (Benefit) Expense - At December 31, 2019, the Township's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is (\$129,354.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Township made contributions to the Plan totaling \$12,220.08.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2019, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 460,513.00
Changes of Assumptions	-	558,050.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	1,297.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	-	655,076.00
Township Contributions Subsequent to the Measurement Date	<u>6,110.04</u>	<u>-</u>
	<u>\$ 7,407.04</u>	<u>\$ 1,673,639.00</u>

\$6,110.04 reported as deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2020.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
June 30, 2017	-	-
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

Year Ending <u>Dec. 31,</u>	
2020	\$ (280,358.00)
2021	(280,358.00)
2022	(280,459.00)
2023	(280,624.00)
2024	(280,774.00)
Thereafter	(269,769.00)
	<u>\$ (1,672,342.00)</u>

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate Through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Years	3.25% to 15.25%

* Salary Increases are Based on Years of Service
Within the Respective Plan

PERS mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019.

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

The Township's proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
Township's Proportionate Share of the Net OPEB Liability	\$ 1,820,790.00	\$ 1,574,731.00	\$ 1,374,776.00

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The Township's proportionate share of the net OPEB Liability as of June 30, 2019, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Township's Proportionate Share of the Net OPEB Liability	\$ 1,328,879.00	\$ 1,574,731.00	\$ 1,888,357.00

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the net OPEB Liability (Last Three Plan Years)

	Measurement Date Ended June 30,		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.011625%	0.012553%	0.013344%
Township's Proportionate Share of the Net OPEB Liability	\$ 1,574,731.00	\$ 1,966,631.00	\$ 2,724,283.00
Township's Covered Payroll (Plan Measurement Period)	\$ 524,652.00	\$ 488,008.00	\$ 411,773.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	300.15%	402.99%	661.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

Schedule of the Township's Contributions (Last Three Years)

	Year Ended December 31,		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 12,220.08	\$ 19,166.16	\$ 22,019.24
Township's Contributions in Relation to the Required Contribution	(12,220.08)	(19,166.16)	(22,019.24)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 532,476.00	\$ 510,809.00	\$ 436,054.00
Township's Contributions as a Percentage of Covered Payroll	2.29%	3.75%	5.05%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

In 2019, there were slight changes to the Chapter 48 provisions.

Changes in Assumptions

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS and July 1, 2014 - June 30, 2018 PERS experience studies. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used. For mortality related to PERS members and retirees, the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

In 2017, the discount rate changed to 3.58% from 2.85%.

Note 9: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 10: CAPITAL DEBT**State of New Jersey Waste Water Treatment Loan**

In 2001, the Township entered into a loan agreement with the State of New Jersey Wastewater Treatment Trust to provide \$6,876,900.00, at no interest, from the fund loan, and \$6,835,000.00 at interest rates ranging from 4.00% to 4.75% from the trust loan. Semiannual debt payments are due February 1st and August 1st through 2021.

Note 10: CAPITAL DEBT (CONT'D)**State of New Jersey Waste Water Treatment Loan (cont'd)**

The following schedule represents the remaining debt service, through maturity, for the New Jersey Waste Water Treatment Loan:

<u>Year</u>	<u>Principal Trust Loan</u>	<u>Interest</u>	<u>Grand Total</u>
2021	\$ 540,000.00	\$ 25,650.00	\$ 565,650.00
	\$ 220,672.20	General Capital Fund	
	319,327.80	Trust Assessment Fund	
	<u>\$ 540,000.00</u>		

General Debt - New Jersey Green Acres Loans

In 2003, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$500,000.00, at an interest rate of 2.0%. Semiannual debt payments are due May 22nd and November 22nd through 2022.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 30,328.08	\$ 763.51	\$ 31,091.59
2022	15,391.87	153.92	15,545.79
Totals	<u>\$ 45,719.95</u>	<u>\$ 917.43</u>	<u>\$ 46,637.38</u>

Note 10: CAPITAL DEBT (CONT'D)

The following schedule represents the Township's summary of debt for the current and two previous years:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Issued</u>			
Trust Assessment:			
Loans	\$ 319,327.80	\$ 626,829.80	\$ 1,081,168.38
General:			
Bonds, Loans and Notes	724,892.15	1,037,120.65	1,588,609.15
Total Issued	1,044,219.95	1,663,950.45	2,669,777.53
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	429,339.51	576,777.51	1,074,752.89
Total Issued and Authorized but not Issued	1,473,559.46	2,240,727.96	3,744,530.42
<u>Deductions</u>			
Trust Assessment:			
Trust Assessment Cash	312,679.13	500,266.91	801,003.20
Net Debt	<u>\$ 1,160,880.33</u>	<u>\$ 1,740,461.05</u>	<u>\$ 2,943,527.22</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .136%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 3,320,000.00	\$ 3,320,000.00	
Regional School District	5,888,014.21	5,888,014.21	
General	1,473,559.46	312,679.13	\$ 1,160,880.33
	<u>\$ 10,681,573.67</u>	<u>\$ 9,520,693.34</u>	<u>\$ 1,160,880.33</u>

Net debt \$1,160,880.33 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$856,718,232.33 equals .136%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 29,985,138.13
Less: Net Debt	<u>1,160,880.33</u>
Remaining Borrowing Power	<u>\$ 28,824,257.80</u>

Note 11: SCHOOL TAXES

Hainesport Township School District and Rancocas Valley Regional High School taxes have been raised and the liability deferred by statutes, resulting in the school taxes payable set forth in the current fund liabilities as follows:

	Local School District		Regional School District	
	<u>Balance December 31,</u>		<u>Balance December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Balance of Tax	\$ 4,571,842.67	\$ 4,550,834.17	\$ 1,914,637.46	\$ 1,828,628.46
Deferred	<u>3,875,805.50</u>	<u>3,875,805.50</u>	<u>1,230,399.76</u>	<u>1,230,399.76</u>
Taxes Payable	<u>\$ 696,037.17</u>	<u>\$ 675,028.67</u>	<u>\$ 684,237.70</u>	<u>\$ 598,228.70</u>

Note 12: RISK MANAGEMENT

Joint Insurance Pool - The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Employee health and accident insurance and public officials bonds in amounts required by New Jersey statutes are provided through commercial insurance. Unemployment compensation benefits are provided by the State of New Jersey, supported by mandatory contributions by the Township. The Township is a member of the Burlington County Municipal Joint Insurance Fund (the "JIF") and the Municipal Excess Liability Joint Fund (the "MEL"), both public entity risk pools. Covered losses not provided by either the JIF or MEL are covered by reinsurance policies in varying amounts. The following coverage is provided by the JIF and MEL:

Public Officials Bonds in excess of amounts statutorily required
 Public Employees Dishonesty Bonds
 Automobile Liability
 Workers' Compensation and Employer's Liability
 Commercial Property
 General Liability
 Public Officials Liability
 Employment Practices Liability
 Environmental Liability

Contributions to the JIF and MEL, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the each of the fund's actuaries. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Funds publish their own financial reports, which can be obtained from:

Burlington County Municipal Joint Insurance Fund
 P.O. Box 325
 Hammonton, New Jersey 08037

Municipal Excess Liability Joint Insurance Fund
 Park 80 West Plaza I
 Saddle Brook, New Jersey 07663

Note 13: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

Pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Hainesport authorized the establishment of the Township of Hainesport Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2001, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of referendums, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Hainesport Open Space, Recreation and Farmland Preservation Trust Funds.

Note 14: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

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

Note 15: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 16: COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The Township never closed its building operations, all employees were able to remain socially distanced and perform their normal duties at the building. The Township building only closed to the public two times, for long durations - Closure #1 – March 17, 2020, Reopened July 7, 2020 Closure #2 – November 23, 2020, Reopened May 17, 2021. During the closures of the Township building to the public, residents were able to access the Township offices via email, telephone, drop box etc.

Certain Township revenues did decline during 2020 as compared to 2019 such as recreation fees and fees and permits.

Note 17: SUBSEQUENT EVENTS

COVID-19 - While the United States awaits to see the full effects that the COVID-19 vaccines provide, there is uncertainty around the duration of time it will take for certain revenues to increase to the levels of prior years.

The Federal American Rescue Plan Act of 2021 (the Act), signed into law on March 11, 2021, was enacted to provide funding for COVID-19 pandemic response and recovery. Among the key elements of the Act is the Coronavirus Local Fiscal Recovery Fund (LFRF). All municipalities and counties will receive LFRF funds in two tranches, with the federal government releasing the second tranche next year. Municipalities and counties with populations greater than 50,000 will receive funds directly from the Federal government. Those municipalities and counties with populations less than 50,000 will receive their funds through their respective State. Since the Township of Hainesport population is less than 50,000, LFRF funds will be pass through the State of New Jersey.

The Township has been allocated \$625,499.28 in LFRF funding with half of it to be received before December 31, 2021 and the other half before December 31, 2022.

The United States Department of Treasury (U.S. Treasury) has issued an Interim Final Rule regulating county and municipal use of LFRF funds. Permitted use of LFRF funds for municipalities and counties may be for the one or more of the following purposes:

- Replacing lost public sector revenue
- Investing in water, sewer, and broadband infrastructure
- Providing premium pay for essential workers
- Supporting public health expenditures
- Addressing COVID-19 related negative economic impacts
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households

For expenditures outside of revenue replacement to be LFRF-eligible under the U.S. Treasury Interim Final Rule, costs must be incurred on or after March 3, 2021 but must be obligated no later than December 31, 2024 to be LFRF-eligible. The "period of performance" will run until December 31, 2026 to allow recipients a reasonable amount of time to complete LFRF-funded projects.

The Township is awaiting on more information to be distributed by federal and state agencies and will then formulate a plan on how the LFRF funds will be spent.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Current Cash - Treasurer
For the Year Ended December 31, 2020

	<u>Regular</u>
Balance December 31, 2019	\$ 6,368,615.32
Increased by Receipts:	
Taxes Receivable	\$ 18,904,607.03
Tax Title Liens	7,641.30
Tax Overpayments	33,127.35
Prepaid Taxes	203,997.23
Due State of New Jersey:	
Senior Citizens' and Veterans' Deductions	62,689.04
State Training Fees	48,028.00
Marriage License Fees	575.00
Revenue Accounts Receivable	1,111,530.56
Mortgage Accounts Receivable	9,000.00
Miscellaneous Revenue not Anticipated	285,527.00
Petty Cash	250.00
Repayment of Investment in Bond Anticipation Notes	70,000.00
Due Mt. Holly Sewer Authority	89,231.49
Refunds of Current Year Appropriations	26,170.13
Federal and State Grant Funds Receivable	<u>157,649.60</u>
	<u>21,010,023.73</u>
	27,378,639.05
Decreased by Disbursements:	
2020 Budget Appropriations	3,369,737.30
2019 Appropriation Reserves	155,611.57
County Taxes	3,368,313.72
County Share of Added and Omitted Taxes	4,696.60
Local District School Tax	9,122,617.50
Regional High School Taxes	3,743,123.00
Due State of New Jersey:	
State Training Fees	8,976.00
Marriage License Fees	600.00
Petty Cash	250.00
Refund of Tax Overpayments	33,404.33
Refund of Current Year Revenue	50.00
Accounts Payable	207.00
Disbursed to Municipal Open Space Fund - Current Year Levy	230,725.00
Due Mt. Holly Sewer Authority	89,231.49
Reserve for Federal and State Grant Funds - Appropriated	<u>123,468.29</u>
	<u>20,251,011.80</u>
Balance December 31, 2020	<u>\$ 7,127,627.25</u>

TOWNSHIP OF HAINESPORT
CURRENT FUND
Schedule of Change Funds
As of December 31, 2020

Analysis of Balance

<u>Office</u>	
Tax Collector	\$ 200.00
Township Clerk	<u>100.00</u>
	<u>\$ 300.00</u>

TOWNSHIP OF HAINESPORT**CURRENT FUND****Statement of Due to State of New Jersey - Senior Citizens'
and Veterans' Deductions (C. 129, L. 1976)
For the Year Ended December 31, 2020**

Balance December 31, 2019		\$	22,576.45
Increased by:			
Collected			<u>62,689.04</u>
			85,265.49
Decreased by:			
Senior Citizens' and Veterans' Deductions per Tax Billings	\$	62,500.00	
Senior Citizens' and Veterans' Deductions:			
Allowed by Tax Collector - 2020 Taxes		500.00	
Disallowed by Tax Collector - 2020 Taxes		<u>(3,768.49)</u>	
			<u>59,231.51</u>
Balance December 31, 2020		\$	<u><u>26,033.98</u></u>

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2020

Year	Balance Dec. 31, 2019	2020 Levy	Added Taxes	2019 Collections	2020 Collections	Due from State of New Jersey	Canceled	Transfer to Tax Title Liens	Balance Dec. 31, 2020
Arrears	\$ 40,444.91						\$ 5,239.06		\$ 35,205.85
2018	7,917.35				\$ 141.94				7,775.41
2019	178,053.91		\$ 5,538.97		156,829.62		938.49	\$ 1,690.79	24,133.98
	226,416.17	-	5,538.97	-	156,971.56	-	6,177.55	1,690.79	67,115.24
2020		\$ 19,156,141.49		\$ 123,437.05	18,747,635.47	\$ 59,231.51	23,907.82	28,019.04	173,910.60
	<u>\$ 226,416.17</u>	<u>\$ 19,156,141.49</u>	<u>\$ 5,538.97</u>	<u>\$ 123,437.05</u>	<u>\$ 18,904,607.03</u>	<u>\$ 59,231.51</u>	<u>\$ 30,085.37</u>	<u>\$ 29,709.83</u>	<u>\$ 241,025.84</u>

Analysis of 2020 Property Tax Levy Tax Yield

General Purpose	\$ 19,071,196.55
Added Taxes (R.S. 54:4-63.1 et seq.)	77,009.33
Miscellaneous Added	<u>7,935.61</u>
	<u>\$ 19,156,141.49</u>

Tax Levy

Regional School Tax	\$ 3,829,132.00
Local District School Tax	9,143,626.00
County Taxes:	
County Tax	\$ 2,936,470.96
County Library Tax	260,980.15
County Open Space	170,862.61
Due County:	
Added and Omitted Taxes	<u>13,647.25</u>
Total County Taxes	3,381,960.97
Local Tax for Municipal Purpose	2,499,399.83
Municipal Open Space	230,725.00
Municipal Open Space - Added Taxes	932.64
Add: Additional Tax Levied	<u>70,365.05</u>
Local Tax for Municipal Purposes Levied	<u>2,801,422.52</u>
	<u>\$ 19,156,141.49</u>

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	83,473.22
Increased by:			
Transfers from Taxes Receivable	\$	29,709.83	
Interest and Costs on Tax Sale		<u>255.41</u>	
			<u>29,965.24</u>
			113,438.46
Decreased by:			
Receipts			<u>7,641.30</u>
Balance December 31, 2020		\$	<u><u>105,797.16</u></u>

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2020

	Accrued in 2020	Received
Licenses:		
Alcoholic Beverages	\$ 15,500.00	\$ 15,500.00
Other	17,929.00	17,929.00
Fees and Permits	25,316.40	25,316.40
Interest and Costs on Taxes	42,054.05	42,054.05
Interest and Costs on Assessments	4,263.29	4,263.29
Interest on Investments and Deposits	54,283.41	54,283.41
Recreation Fees	3,190.00	3,190.00
Energy Receipts Tax	379,764.00	379,764.00
Uniform Construction Code Fees	502,606.00	502,606.00
Railroad User Fees	69,899.80	69,899.80
	<u>\$ 1,114,805.95</u>	<u>\$ 1,114,805.95</u>
Interest Earnings on Investments Due From:		
Trust Assessment Fund		\$ 2,002.00
Trust Other Funds		1,157.34
Interest and Costs on Assessments Due From:		
Trust Assessment Fund		166.05
Receipts		1,111,530.56
Refund of Fees and Permits		(50.00)
		<u>\$ 1,114,805.95</u>

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of 2019 Appropriation Reserves
For the Year Ended December 31, 2020

	Balance December 31, 2019		Balances After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Charged</u>	<u>Lapsed</u>
OPERATIONS - WITHIN "CAPS"					
<u>General Government</u>					
Administrative and Executive					
Salaries and Wages		\$ 97.79	\$ 97.79		\$ 97.79
Other Expenses		3,132.11	3,132.11		3,132.11
Mayor and Committee					
Salaries and Wages		363.02	363.02		363.02
Other Expenses	\$ 20.00	3,984.69	4,004.69	\$ 20.00	3,984.69
Municipal Clerk					
Salaries and Wages		244.20	244.20		244.20
Other Expenses	394.68	12,987.11	13,381.79	352.86	13,028.93
Elections		89.81	89.81		89.81
Financial Administration					
Salaries and Wages		6,358.20	6,358.20		6,358.20
Other Expenses	236.50	19,540.22	19,776.72	585.75	19,190.97
Computerized Data Processing					
Salaries and Wages		399.10	399.10		399.10
Other Expenses		2,660.11	2,660.11		2,660.11
Assessment of Taxes					
Salaries and Wages		0.18	0.18		0.18
Other Expenses		2,815.90	2,815.90		2,815.90
Collection of Taxes					
Salaries and Wages		510.00	510.00		510.00
Other Expenses	264.50	2,083.34	2,347.84	248.75	2,099.09
Legal Services and Costs					
Other Expenses	3,001.60	57,020.68	60,022.28	5,721.10	54,301.18
Engineering Services and Costs					
Other Expenses	36,883.40	18,458.85	55,342.25	36,929.65	18,412.60
Economic Development					
Other Expenses	1,500.00	116.00	1,616.00	1,500.00	116.00
<u>Land Use Administration</u>					
Planning Board					
Salaries and Wages		8.85	8.85		8.85
Other Expenses	7,218.26	56,248.19	63,466.45	9,857.26	53,609.19
Zoning Officer					
Salaries and Wages		4.66	4.66		4.66
Other Expenses		581.36	581.36		581.36
Code Enforcement Officer					
Salaries and Wages		1.06	1.06		1.06
Other Expenses		450.00	450.00		450.00
<u>Insurance</u>					
Liability Insurance	53.42	13,742.29	13,795.71	53.42	13,742.29
Group Insurance Plan for Employees	577.91	28,723.37	29,301.28	899.91	28,401.37
<u>Public Safety</u>					
Police					
Salaries and Wages		1,170.57	1,170.57		1,170.57
Other Expenses		250.00	250.00		250.00
Office of Emergency Management Services					
Other Expenses		447.94	447.94		447.94
Fire Marshall					
Salaries and Wages		11.96	11.96		11.96
Other Expenses	8,580.62	21,774.34	30,354.96	17,161.24	13,193.72
<u>Public Works</u>					
Road Repair and Maintenance					
Salaries and Wages		20,834.77	20,834.77		20,834.77
Other Expenses	40,227.72	12,615.81	52,843.53	37,382.87	15,460.66
Solid Waste Collection - Contractual	12,110.50	17,733.92	29,844.42	12,280.50	17,563.92
Recycling Program					
Other Expenses	6,633.00	10,367.00	17,000.00	6,633.00	10,367.00
Public Buildings and Grounds					
Other Expenses	290.25	11,330.55	11,620.80	911.93	10,708.87
Vehicle Maintenance					
Other Expenses	693.55	8,831.58	9,525.13	2,425.28	7,099.85

(Continued)

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of 2019 Appropriation Reserves
For the Year Ended December 31, 2020

	Balance December 31, 2019		Balances After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Charged</u>	<u>Lapsed</u>
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>					
<u>Health and Welfare</u>					
Board of Health					
Salaries and Wages		\$ 0.93	\$ 0.93		\$ 0.93
Other Expenses		95.00	95.00		95.00
Employee Immunization					
Other Expenses		1,000.00	1,000.00		1,000.00
Environmental Commission					
Other Expenses		393.78	393.78		393.78
Contributions to Social Services Agencies					
Recreation					
Salaries and Wages		7,694.24	7,694.24		7,694.24
Other Expenses	\$ 379.50	6,672.66	7,052.16	\$ (2,620.50)	9,672.66
Celebration of Public Events:					
Other Expenses		1,000.00	1,000.00		1,000.00
Animal Control Regulation					
Salaries and Wages		1,000.00	1,000.00		1,000.00
Other Expenses		1,000.00	1,000.00		1,000.00
<u>Utility Expenses and Bulk Purchases</u>					
Postage	2,042.72	1,052.24	3,094.96	2,042.72	1,052.24
Electricity		14,965.85	14,965.85	2,205.10	12,760.75
Street Lighting		24,936.81	24,936.81	9,929.62	15,007.19
Telephone		7,436.17	7,436.17	321.84	7,114.33
Water	380.24	1,267.73	1,647.97	380.24	1,267.73
Gas		12,547.24	12,547.24	1,520.19	11,027.05
Gasoline	2,294.83	12,733.69	15,028.52	4,326.26	10,702.26
Landfill/Solid Waste Disposal Costs		31,661.95	31,661.95	13,915.20	17,746.75
COAH Administration					
Salaries and Wages		20,000.00	20,000.00		20,000.00
Other Expenses		13,700.00	13,700.00		13,700.00
<u>Uniform Construction Code - Appropriations Offset</u>					
<u>by Dedicated Revenues (N.J.A.C. 5:23-4-17)</u>					
State Uniform Construction Code:					
Construction Official					
Salaries and Wages		62.64	62.64		62.64
Other Expenses	148.20	4,937.49	5,085.69	148.20	4,937.49
Statutory Expenditures:					
Contribution to:					
Defined Contribution Retirement Program		4,364.45	4,364.45		4,364.45
Social Security System (O.A.S.I.)		14,906.47	14,906.47		14,906.47
Unemployment Compensation		154.71	154.71		154.71
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
Recycling Tax (N.J.S.A. 13:1E-96.5)		9,700.00	9,700.00		9,700.00
NJPDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):					
Other Expenses		12,400.10	12,400.10		12,400.10
Construction Office					
Other Expenses		2,684.94	2,684.94	845.35	1,839.59
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Acquisition of Computers and Equipment		744.05	744.05		744.05
Acquisition of Equipment and Vehicles	265,000.00		265,000.00	265,000.00	
Acquisition of Traffic Calming Devices		12,000.00	12,000.00		12,000.00
Stormwater Pipe Lining - Bancroft Lane		50,000.00	50,000.00		50,000.00
Acquisition of Fire Safety Equipment		9,000.00	9,000.00		9,000.00
	<u>\$ 388,931.40</u>	<u>\$ 616,102.67</u>	<u>\$ 1,005,034.07</u>	<u>\$ 430,977.74</u>	<u>\$ 574,056.33</u>
Disbursed				\$ 155,611.57	
Transferred to Accounts Payable				275,366.17	
				<u>\$ 430,977.74</u>	

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 123,437.05
Increased by:	
Collections - 2021 Taxes	<u>203,997.23</u>
	327,434.28
Decreased by:	
Application to 2020 Taxes Receivable	<u>123,437.05</u>
Balance December 31, 2020	<u><u>\$ 203,997.23</u></u>

Exhibit SA-9

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 273.13
Increased by:	
Overpayments Collected	\$ 33,127.35
Miscellaneous Added Tax Overpayments	<u>59.24</u>
	<u>33,186.59</u>
	33,459.72
Decreased by:	
Tax Overpayments Refunded	<u>33,404.33</u>
Balance December 31, 2020	<u><u>\$ 55.39</u></u>

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Due to State of New Jersey - State Training Fees
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 1,575.00
Increased by:	
Receipts	<u>48,028.00</u>
	49,603.00
Decreased by:	
Disbursements	<u>8,976.00</u>
Balance December 31, 2020	<u><u>\$ 40,627.00</u></u>

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2020

Increased by:		
2020 Tax Levy:		
County Tax	\$ 2,936,470.96	
County Library Tax	260,980.15	
County Open Space	<u>170,862.61</u>	
		\$ 3,368,313.72
Decreased by:		
Disbursements		<u><u>\$ 3,368,313.72</u></u>

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	4,696.60
Increase by County Share of 2020 Levy:			
2019 Added Taxes	\$	305.42	
2020 Added Taxes		12,492.04	
2019 Omitted Taxes		<u>849.79</u>	
			<u>13,647.25</u>
			18,343.85
Decreased by Payments			<u>4,696.60</u>
Balance December 31, 2020		\$	<u><u>13,647.25</u></u>

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2020

Balance December 31, 2019		
School Tax Payable	\$	675,028.67
School Tax Deferred		<u>3,875,805.50</u>
		\$ 4,550,834.17
Increased by:		
Levy - School Year July 1, 2020 to June 30, 2021		<u>9,143,626.00</u>
		13,694,460.17
Decreased by:		
Payments		<u>9,122,617.50</u>
Balance December 31, 2020		
School Tax Payable		696,037.17
School Tax Deferred		<u>3,875,805.50</u>
		\$ <u><u>4,571,842.67</u></u>
2020 Liability for Local School Tax:		
Tax Paid	\$	9,122,617.50
Add: Tax Payable December 31, 2020		<u>696,037.17</u>
		9,818,654.67
Less: Tax Payable December 31, 2019		<u>675,028.67</u>
Amount Charged to 2020 Operations	\$	<u><u>9,143,626.00</u></u>

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Regional High School Taxes
For the Year Ended December 31, 2020

Balance December 31, 2019		
School Tax Payable	\$	598,228.70
School Tax Deferred		<u>1,230,399.76</u>
	\$	1,828,628.46
Increased by:		
Levy - School Year July 1, 2020 to June 30, 2021		<u>3,829,132.00</u>
		5,657,760.46
Decreased by:		
Payments		<u>3,743,123.00</u>
Balance December 31, 2020		
School Tax Payable		684,237.70
School Tax Deferred		<u>1,230,399.76</u>
	\$	<u><u>1,914,637.46</u></u>
2020 Liability for Regional High School Tax:		
Tax Paid	\$	3,743,123.00
Add: Tax Payable December 31, 2020		<u>684,237.70</u>
		4,427,360.70
Less: Tax Payable December 31, 2019		<u>598,228.70</u>
Amount Charged to 2020 Operations	\$	<u><u>3,829,132.00</u></u>

TOWNSHIP OF HAINESPORT
CURRENT FUND
Statement of Due to State of New Jersey - Marriage License Fees
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 100.00
Increased by:	
Receipts	<u>575.00</u>
	675.00
Decreased by:	
Disbursements	<u>600.00</u>
Balance December 31, 2020	<u><u>\$ 75.00</u></u>

Exhibit SA-16

CURRENT FUND
Statement of Mortgage Accounts Receivable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 9,500.00
Decreased by:	
Receipts	<u>9,000.00</u>
Balance December 31, 2020	<u><u>\$ 500.00</u></u>

TOWNSHIP OF HAINESPORT
FEDERAL AND STATE GRANT FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	58,610.30
Increased by:			
Funds Collected by Current Fund on Behalf of Federal and State Grant Fund			<u>157,649.60</u>
			216,259.90
Decreased by:			
Funds Disbursed by Current Fund on Behalf of Federal and State Grant Fund	\$	123,468.29	
Cancellation of Appropriated Grant Reserves		<u>34,493.24</u>	
			<u>157,961.53</u>
Balance December 31, 2020		\$	<u><u>58,298.37</u></u>

TOWNSHIP OF HAINESPORT
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Realized as Miscellaneous Revenue in 2020 Budget</u>	<u>Realized</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2020</u>
Federal Grants:					
Community Development Block Grant	\$ 92,306.68	\$ 75,000.00	\$ 75,000.00	\$ 92,306.68	
Emergency Management Subaward Performance Grant		10,000.00	10,000.00		
Total Federal Grants	92,306.68	85,000.00	85,000.00	92,306.68	-
State Grants:					
NJ DEP - Clean Communities Program		13,899.60	13,899.60		
Hazardous Discharge Site Remediation Grant	8,091.50				\$ 8,091.50
N.J. DOT Grant - Phillips Road 2018	58,750.00		58,750.00		
N.J. DOT Grant - Bancroft Drive 2019	250,000.00				250,000.00
N.J. DOT Grant - Bancroft Drive 2020		245,000.00			245,000.00
Recycling Tonnage		9,316.87	9,316.87		
Total State Grants	316,841.50	268,216.47	81,966.47	-	503,091.50
Local Grants:					
Burlington County Park Grant Round 4	744.58			744.58	
Burlington County Park Grant Round 8		100,000.00			100,000.00
Total Local Grants	744.58	100,000.00	-	744.58	100,000.00
Total Grants Receivable	\$ 409,892.76	\$ 453,216.47	\$ 166,966.47	\$ 93,051.26	\$ 603,091.50
Original Budget		\$ 184,316.87			
Appropriation by 40A:4-87		268,899.60			
Cash Received			\$ 157,649.60		
Transferred from Unappropriated Grants			9,316.87		
		\$ 453,216.47	\$ 166,966.47		

Exhibit SA-19

FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Realized as Miscellaneous Revenue in 2020 Budget</u>	<u>Received</u>	<u>Balance Dec. 31, 2020</u>
State Grants:				
Recycling Tonnage Grant	\$ 9,316.87	\$ 9,316.87	\$ -	\$ -

TOWNSHIP OF HAINESPORT
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2020

Program	Balance Dec. 31, 2019	Increased by		Decreased by			Balance Dec. 31, 2020
		Transferred from 2020 Budget Appropriation	Prior Year Encumbrances Reclassified	Paid or Charged	Encumbered	Canceled	
Federal Grants:							
Municipal Aid Grant:							
Easton Way Improvements			\$ 517.00			\$ 517.00	
Easton Way Improvements Phase II			118.14			118.14	
Emergency Management Subaward Performance Grant		\$ 10,000.00			\$ 9,393.00		\$ 607.00
Community Development Block Grant	\$ 109,001.85	75,000.00	1,166.00	\$ 75,000.00		110,167.85	
Total Federal Grants	109,001.85	85,000.00	1,801.14	75,000.00	9,393.00	110,802.99	607.00
State Grants:							
Hazardous Discharge Site Remediation Grant	77,872.00		3,671.59	22,603.75	58,939.84		
All Hazards Emergency Operations Planning Grant	717.14					717.14	
Recycling Tonnage Grant	12,152.90	9,316.87	35.98	9,656.13			11,849.62
NJ DEP - Clean Communities Program	2,072.27	13,899.60		15,683.41			288.46
N.J. DOT Grant - Phillips Road 2018			3,761.74				3,761.74
N.J. DOT Grant - Bancroft Drive 2019	250,000.00						250,000.00
N.J. DOT Grant - Bancroft Drive 2020		245,000.00		525.00			244,475.00
Total State Grants	342,814.31	268,216.47	7,469.31	48,468.29	58,939.84	717.14	510,374.82
Local Grants:							
Burlington County Park Grant Round 2	1,545.21					1,545.21	
Burlington County Park Grant Round 3	7,088.98					7,088.98	
Burlington County Park Grant Round 4	744.58					744.58	
Burlington County Park Grant Round 6	1,051.40		5,320.60			6,372.00	
Burlington County Park Grant Round 7	273.60					273.60	
Burlington County Park Grant Round 8		100,000.00					100,000.00
	10,703.77	100,000.00	5,320.60	-	-	16,024.37	100,000.00
Total	\$ 462,519.93	\$ 453,216.47	\$ 14,591.05	\$ 123,468.29	\$ 68,332.84	\$ 127,544.50	\$ 610,981.82
Original Budget		\$ 184,316.87					
Appropriation by 40A:4-87		268,899.60					
Disbursed				\$ 123,468.29			
Cancelled Against Grant Receivable						\$ 93,051.26	
Cancelled to Due Current Fund - Operations						34,493.24	
		\$ 453,216.47		\$ 123,468.29		\$ 127,544.50	

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF HAINESPORT
TRUST FUNDS
Statement of Trust Cash - Treasurer
For the Year Ended December 31, 2020

	<u>Animal Control</u> <u>Trust Fund</u>	<u>Other Funds</u>	<u>Municipal Open Space</u> <u>Fund</u>	<u>Assessment</u> <u>Fund</u>
Balance December 31, 2019	\$ 10,380.73	\$ 753,074.78	\$ 691,309.34	\$ 657,880.44
Increased by Receipts:				
Assessments Receivable				\$ 119,914.22
Reserve for Payment of Debt Service				17,648.99
Due to State of New Jersey	\$ 885.00			
Reserve for Dog Fund Expenditures	9,480.00			
Due Current Fund:				
Trust Other		\$ 835.75		
Trust Assessment				6,381.23
Municipal Open Space Fund			\$ 230,725.00	
Reserve for Future Use			2,840.55	
Reserve for Trust Other Funds:				
Interest Earnings		2,102.50		
Other		1,523,420.01		
	<u>10,365.00</u>	<u>1,526,358.26</u>	<u>233,565.55</u>	<u>143,944.44</u>
	20,745.73	2,279,433.04	924,874.89	801,824.88
Decreased by Disbursements:				
Trust Assessment Fund - Loans Payable				307,502.00
Reserve for Dog Fund Expenditures	13,552.21			
Due to State of New Jersey-Dog License Fees	880.20			
Due Current Fund:				
Trust Assessment				4,213.18
Trust Other		1.03		
Reserve for Trust Other Funds		1,192,563.50		
Current Year Appropriations			174,991.78	
	<u>14,432.41</u>	<u>1,192,564.53</u>	<u>174,991.78</u>	<u>311,715.18</u>
Balance December 31, 2020	<u><u>\$ 6,313.32</u></u>	<u><u>\$ 1,086,868.51</u></u>	<u><u>\$ 749,883.11</u></u>	<u><u>\$ 490,109.70</u></u>

Analysis of Trust Other Fund Cash:

Payroll Trust	\$ 2,441.14
Trust Escrows	384,471.78
Affordable Housing Trust	615,272.65
Recreation Trust	84,682.94
	<u><u>\$ 1,086,868.51</u></u>

TOWNSHIP OF HAINESPORT
TRUST OTHER FUNDS
Statement of Current Cash - Collector
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 67,217.27
Increased by Receipts:		
Due Current Fund:		
Interest Earnings on Deposits	\$ 421.48	
Premiums Received at Tax Sale	159,600.00	
Reserve for Tax Title Lien Redemption	76,735.45	
	<u> </u>	<u>236,756.93</u>
		303,974.20
Decreased by Disbursements:		
Premiums Refunded	113,200.00	
Reserve for Tax Title Lien Redemption	76,735.45	
Due Current Fund:		
Current Year Interest Turned Over to Current Fund	98.86	
	<u> </u>	<u>190,034.31</u>
Balance December 31, 2020		<u><u>\$ 113,939.89</u></u>

TOWNSHIP OF HAINESPORT
TRUST ASSESSMENT FUND
 Analysis of Assessment Cash
 For the Year Ended December 31, 2020

	Balance Dec. 31, 2019	Receipts		Disbursements	Balance Dec. 31, 2020
		Assessments	Miscellaneous	Miscellaneous	
Fund Balance	\$ 157,343.92				\$ 157,343.92
<u>Ordinance Number</u>					
2003-13-08 Construction of a Sewerage Conveyance System	500,266.91	\$ 119,914.22		\$ 307,502.00	312,679.13
Due Bank	(0.50)				(0.50)
Reserve for Payment of Debt Service			\$ 17,648.99		17,648.99
Due Current Fund	270.11		6,381.23	4,213.18	2,438.16
	<u>\$ 657,880.44</u>	<u>\$ 119,914.22</u>	<u>\$ 24,030.22</u>	<u>\$ 311,715.18</u>	<u>\$ 490,109.70</u>

TOWNSHIP OF HAINESPORT
ANIMAL CONTROL TRUST FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 10,219.15
Increased by:	
Dog License Fees Collected	<u>9,480.00</u>
	19,699.15
Decreased by:	
Expenditures Under N.J.S.A. 4:19-15.11 - Cash	<u>13,552.21</u>
Balance December 31, 2020	<u><u>\$ 6,146.94</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2018	\$ 12,477.60
2019	<u>11,697.79</u>
	<u><u>\$ 24,175.39</u></u>

TOWNSHIP OF HAINESPORT
ANIMAL CONTROL TRUST FUND
Statement of Due to State of New Jersey
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 11.40
Increased by:	
State Registration Fees Collected	<u>885.00</u>
	896.40
Decreased by:	
Payments	<u>880.20</u>
Balance December 31, 2020	<u><u>\$ 16.20</u></u>

TOWNSHIP OF HAINESPORT
TRUST - OTHER FUNDS
Statement of Due From Current Fund
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	3,244.35
Increased by:			
Disbursements - Collector:			
Current Year Interest Turned Over to Current Fund	\$	98.86	
Disbursements - Treasurer:			
Current Year Interest Turned Over to Current Fund		<u>1.03</u>	
			<u>99.89</u>
			3,344.24
Decreased by:			
Receipts - Tax Collector:			
Interest Earnings on Deposits		421.48	
Receipts - Treasurer:			
Interest Earnings on Deposits		<u>835.75</u>	
			<u>1,257.23</u>
Balance December 31, 2020		\$	<u><u>2,087.01</u></u>
Analysis of Balance:			
Tax Title Lien Redemption Trust Fund	\$	3,726.01	
Planning and Zoning Board Escrow Trust Fund		(1,320.05)	
Payroll Trust Fund		(67.14)	
Fire Safety Trust Fund		50.00	
Recreation Trust Fund		<u>(301.81)</u>	
	\$	<u><u>2,087.01</u></u>	

TOWNSHIP OF HAINESPORT
TRUST - OTHER FUNDS
Statement of Changes in Miscellaneous Trust Other Reserves
For the Year Ended December 31, 2020

		<u>Increased by</u>		<u>Decreased by</u>	
	<u>Balance Dec. 31, 2019</u>	<u>Interest Earnings</u>	<u>Other Receipts</u>	<u>Disbursements</u>	<u>Balance Dec. 31, 2020</u>
Collector:					
Reserve For:					
Premiums Received at Tax Sale	\$ 64,300.00		\$ 159,600.00	\$ 113,200.00	\$ 110,700.00
Tax Title Lien Redemption	6,965.90		76,735.45	76,735.45	6,965.90
	<u>71,265.90</u>		<u>236,335.45</u>	<u>189,935.45</u>	<u>117,665.90</u>
Treasurer:					
Reserve for:					
Planning and Zoning Board Escrow	177,224.25		412,793.17	206,865.69	383,151.73
Recreation Commission	86,061.21		560.00	9,434.78	77,186.43
Affordable Housing	480,716.46	\$ 2,102.50	420,824.69	288,371.00	615,272.65
Fire Safety Fund	3,972.88				3,972.88
Net Payroll			435,085.84	435,085.84	
Payroll Deductions Payable	1,023.88		254,156.31	252,806.19	2,374.00
	<u>748,998.68</u>	<u>2,102.50</u>	<u>1,523,420.01</u>	<u>1,192,563.50</u>	<u>1,081,957.69</u>
	<u>\$ 820,264.58</u>	<u>\$ 2,102.50</u>	<u>\$ 1,759,755.46</u>	<u>\$ 1,382,498.95</u>	<u>\$ 1,199,623.59</u>

TOWNSHIP OF HAINESPORT
TRUST - MUNICIPAL OPEN SPACE FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 320.99
Increased by:		
Tax Levy	\$ 230,725.00	
Added/Omitted Tax Levy	<u>932.64</u>	
		<u>231,657.64</u>
		231,978.63
Decreased by:		
Receipts - Current Year Levy Turned Over by Current Fund		<u>230,725.00</u>
Balance December 31, 2020		<u><u>\$ 1,253.63</u></u>

Exhibit SB-9

TRUST - MUNICIPAL OPEN SPACE FUND
Statement of Reserve for Future Use
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 756,630.33
Increased by:		
Tax Levy	\$ 230,725.00	
Added/Omitted Tax Levy	932.64	
Receipts - Interest on Deposits	<u>2,840.55</u>	
		<u>234,498.19</u>
		991,128.52
Decreased by:		
Budget Appropriations		<u>174,991.78</u>
Balance December 31, 2020		<u><u>\$ 816,136.74</u></u>

TOWNSHIP OF HAINESPORT
TRUST ASSESSMENT FUND
Statement of Assessments Receivable
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date of Confirmation	Annual Installments	Due Dates	Balance Dec. 31, 2019	Collected	Balance Dec. 31, 2020	Balance Pledged to	
								Assessment Loans	Reserve
2003-13-8	Construction of a Sewerage Conveyance System	4-1-2002; 11-26-2002	2	7/1/02 & 7/1/03	\$ 126,562.89	\$ 119,914.22	\$ 6,648.67	\$ 6,648.67	\$ -

TOWNSHIP OF HAINESPORT
TRUST ASSESSMENT FUND
Statement of State of N.J. Wastewater Treatment Loans Payable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 626,829.80
Decreased by:	
Payments	<u>307,502.00</u>
Balance December 31, 2020	<u><u>\$ 319,327.80</u></u>

Schedule of Loan Payable December 31, 2020

<u>Due Date</u>	<u>Total</u>	<u>Trust Loan</u>	<u>Amount</u> <u>Fund Loan</u>
8/1/2021	<u><u>\$ 319,327.80</u></u>	<u><u>\$ 319,327.80</u></u>	<u><u>\$ -</u></u>

TOWNSHIP OF HAINESPORT
TRUST ASSESSMENT FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	270.11
Increased by Receipts:			
Interest on Deposits	\$	2,117.94	
Interest on Assessments		<u>4,263.29</u>	
			<u>6,381.23</u>
			6,651.34
Decreased by:			
Decreased by Disbursed:			
Interest on Deposits Turned Over - Anticipated Revenue		115.94	
Interest on Assessments Turned Over - Anticipated Revenue		<u>4,097.24</u>	
			<u>4,213.18</u>
Balance December 31, 2020		\$	<u><u>2,438.16</u></u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of General Capital Cash
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 436,601.11
Increased by Receipts:	
Due Current Fund	<u>847,438.00</u>
	1,284,039.11
Decreased by Disbursements:	
Improvement Authorizations	<u>710,798.82</u>
Balance December 31, 2020	<u><u>\$ 573,240.29</u></u>

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2020

	Balance (Deficit) <u>Dec. 31, 2019</u>	<u>Receipts</u> <u>Miscellaneous</u>	<u>Disbursements</u> <u>Improvement Authorizations</u>	<u>Transfers</u>		Balance (Deficit) <u>Dec. 31, 2020</u>
				<u>From</u>	<u>To</u>	
Fund Balance	\$ 175,028.53			\$ 94,000.00		\$ 81,028.53
Capital Improvement Fund	672,952.00			862,000.00	\$ 700,000.00	510,952.00
Reserve for Interest	24,786.67					24,786.67
Reserve for Preliminary Expenses:						
Purchase of Land for Open Space	9,995.26					9,995.26
Reserve for Encumbrances					58,728.43	58,728.43
Due from Bank	(183.63)					(183.63)
Due Trust - Municipal Open Space Fund	65,000.00					65,000.00
Due to Grant Fund	17,924.79					17,924.79
Due Current Fund	47,875.00	\$ 847,438.00		847,438.00		47,875.00
Ordinance <u>Number</u>						
2000-13-8 Construction of a Sewerage Conveyance System	(400,052.48)				72,438.00	(327,614.48)
2009-08-11 Various Capital Projects	(176,725.03)				75,000.00	(101,725.03)
2020-02 Various Road Improvement Projects			\$ 707,271.57	58,728.43	766,000.00	
2020-06 Sidewalks, Curbs, Warning Surfaces and Striping on Washington and Broad Street; Various Parks and Recreation Projects			3,527.25		190,000.00	186,472.75
	<u>\$ 436,601.11</u>	<u>\$ 847,438.00</u>	<u>\$ 710,798.82</u>	<u>\$ 1,862,166.43</u>	<u>\$ 1,862,166.43</u>	<u>\$ 573,240.29</u>

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 672,952.00
Increased by:	
Due Current Fund - 2020 Budget Appropriation	<u>700,000.00</u>
	1,372,952.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>862,000.00</u>
Balance December 31, 2020	<u><u>\$ 510,952.00</u></u>

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	508,620.65
Decreased by:			
2020 Budget Appropriation - Green Acres Loan	\$	29,730.50	
2020 Budget Appropriation - N.J. Wastewater Treatment Loans		107,088.56	
Loans Canceled - NJEIT Savings Credits		92,569.46	
Loans Canceled - NJEIT Earnings Credits		12,839.98	
			<u>242,228.50</u>
Balance December 31, 2020		\$	<u><u>266,392.15</u></u>

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2020

		<u>Decreased by</u>			<u>Analysis of Balance Dec. 31, 2020</u>		
<u>Ordinance Number</u>		<u>Balance Dec. 31, 2019</u>	<u>Notes Paid by Budget Appropriation</u>	<u>Raised by Budget Appropriation</u>	<u>Balance Dec. 31, 2020</u>	<u>Bond Anticipation Notes</u>	<u>Unexpended Improvement Authorizations</u>
2000-13-08	Construction of a Sewerage Conveyance System	\$ 400,052.48		\$ 72,438.00	\$ 327,614.48		\$ 327,614.48
2009-08-11	Various Capital Projects	176,725.03		75,000.00	101,725.03		101,725.03
2017-09	Acquisition of Real Property	528,500.00	\$ 70,000.00		458,500.00	\$ 458,500.00	
		<u>\$ 1,105,277.51</u>	<u>\$ 70,000.00</u>	<u>\$ 147,438.00</u>	<u>\$ 887,839.51</u>	<u>\$ 458,500.00</u>	<u>\$ -</u>

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ -
Increased by:	
Charges to Improvement Authorizations	<u>58,728.43</u>
Balance December 31, 2020	<u><u>\$ 58,728.43</u></u>

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2020

				<u>Increased by</u>		<u>Decreased by</u>			
<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	<u>Ordinance</u> <u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2019</u>		<u>2020</u> <u>Authorizations</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance Dec. 31, 2020</u>	
				<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
General Improvements:									
2020-02	Various Road Improvement Projects	05/12/20	\$ 766,000.00			\$ 766,000.00	\$ 766,000.00		
2020-06	Sidewalks, Curbs, Warning Surfaces and Striping on Washington and Broad Street; Various Parks and Recreation Projects	08/11/20	190,000.00			190,000.00	3,527.25	\$ 186,472.75	
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 956,000.00</u>	<u>\$ 769,527.25</u>	<u>\$ 186,472.75</u>	<u>\$ -</u>
Funded by:									
Capital Improvement Fund						\$ 862,000.00			
General Capital Surplus						94,000.00			
Reserve for Encumbrances							\$ 58,728.43		
Disbursements							710,798.82		
						<u>\$ 956,000.00</u>	<u>\$ 769,527.25</u>		

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	47,875.00
Increased by:			
Budget Appropriations:			
Capital Improvement Fund	\$	700,000.00	
Deferred Charges Unfunded		<u>147,438.00</u>	
			<u>847,438.00</u>
			895,313.00
Decreased by:			
Receipts - Interfund Liquidated			<u>847,438.00</u>
Balance December 31, 2020		\$	<u><u>47,875.00</u></u>

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2020

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Coupon Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
Acquisition of Real Property	2017-09	04/10/18	04/08/19	04/07/20	2.75%	\$ 528,500.00		\$ 528,500.00	
		04/10/18	04/06/20	04/05/21	3.00%		\$ 458,500.00		\$ 458,500.00
						<u>\$ 528,500.00</u>	<u>\$ 458,500.00</u>	<u>\$ 528,500.00</u>	<u>\$ 458,500.00</u>
		Paid by Budget Appropriation - Open Space Fund						\$ 70,000.00	
		Renewed					\$ 458,500.00	458,500.00	
							<u>\$ 458,500.00</u>	<u>\$ 528,500.00</u>	

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of State of N.J. Wastewater Treatment Loans Payable
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 433,170.20
Decreased by:		
2020 Budget Appropriation to Pay Loans	\$ 107,088.56	
Loans Canceled - NJEIT Savings Credits	92,569.46	
Loans Canceled - NJEIT Earnings Credits	12,839.98	
	<u>212,498.00</u>	<u>212,498.00</u>
Balance December 31, 2020		<u><u>\$ 220,672.20</u></u>

Schedule of 2001 Loan Payable December 31, 2020

<u>Due Date</u>	<u>Total</u>	<u>Trust Loan</u>	<u>Amount</u> <u>Fund Loan</u>
August 1, 2021	<u><u>\$ 220,672.20</u></u>	<u><u>\$ 220,672.20</u></u>	<u><u>\$ -</u></u>

See Exhibit SB-12 for Trust Assessment Fund Portion.

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of State of Green Acres Assistance Loan Payable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 75,450.45
Decreased by:	
2020 Budget Appropriation to Pay Loans	<u>29,730.50</u>
Balance December 31, 2020	<u><u>\$ 45,719.95</u></u>

Schedule of Loan Payable December 31, 2020

<u>Due Date</u>	<u>Principal Amount</u>
May 22, 2021	\$ 15,088.60
November 22, 2021	15,239.48
May 22, 2022	<u>15,391.87</u>
	<u><u>\$ 45,719.95</u></u>

TOWNSHIP OF HAINESPORT
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	<u>Decreased by</u>		Balance Dec. 31, 2020
			Raised by Budget Appropriation		
2000-13-08	Construction of a Sewerage Conveyance System	\$ 400,052.48	\$ 72,438.00		\$ 327,614.48
2009-08-11	Various Capital Projects	<u>176,725.03</u>	<u>75,000.00</u>		<u>101,725.03</u>
		<u>\$ 576,777.51</u>	<u>\$ 147,438.00</u>		<u>\$ 429,339.51</u>

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

TOWNSHIP OF HAINESPORT
Schedule of Findings and Recommendations
For the Year Ended December 31, 2020

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

There are no current year findings.

TOWNSHIP OF HAINESPORT
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

TOWNSHIP OF HAINESPORT
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Leila Gilmore	Mayor	(B)
Bruce MacLachlan	Deputy Mayor	(B)
Gerard A. Clauss	Committeeman	(B)
Bruce Levinson	Committeeman	(B)
Ken Montgomery	Committeeman	(B)
Paula Kosko	Township Administrator; Township Clerk	(B)
Donna Condo	Chief Financial Officer	(B)
Paula Tiver	Tax Collector, Tax Search Officer, Registrar, and Administrative Assistant	(A)
Donna Casey	Recreation Director	(B)
Kathy Newcomb	Construction Permit Clerk, and Zoning Official	(B)
Gene Blair	Construction Official and Building Sub-code Official	(B)
Donna Kilburn	Tax Office Assistant, Administrative Assistant, Finance Assistant, Clean Communities Coordinator, and Recreation Coordinator	(B)
James Mancini	Tax Assessor	(B)
Richard Alaimo	Engineer	
John C. Gillespie	Solicitor	

(A) Statutory Position Bond - Burlington County Joint Insurance Pool \$50,000.00. Amounts in excess of \$50,000.00 covered by Municipal Excess Liability Joint Insurance Fund to \$950,000.00

(B) Public Officials Bond - Burlington County Joint Insurance Pool \$50,000.00. Amounts in excess of \$50,000.00 covered by Municipal Excess Liability Joint Insurance Fund to \$950,000.00

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

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

Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant