

TOWNSHIP OF EASTAMPTON
COUNTY OF BURLINGTON

REPORT OF AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2020

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TOWNSHIP OF EASTAMPTON
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 Council
Township of Eastampton
Eastampton, New Jersey 08060

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 Eastampton, 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 Eastampton, 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 Eastampton, 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

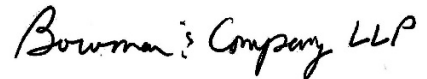
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional 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 July 7, 2021 on our consideration of the Township of Eastampton, 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 Eastampton'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 Eastampton's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 7, 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 Council
Township of Eastampton
Eastampton, New Jersey 08060

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 Eastampton, 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 July 7, 2021. That report indicated that the Township of Eastampton'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 Eastampton'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 Eastampton's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Eastampton'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Eastampton'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 an instance of noncompliance or other matter that is 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, and which is described in the accompanying *Schedule of Findings and Recommendations* as Finding No. 2020-001.

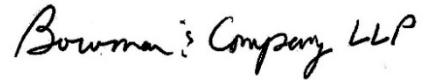
The Township of Eastampton's Response to Findings

The Township of Eastampton's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Recommendations*. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 7, 2021

TOWNSHIP OF EASTAMPTON
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	SA-1	\$ 2,266,169.48	\$ 2,384,069.81
Cash - Change Fund	SA-3	500.00	500.00
Prepaid Debt Service	A-3		64,075.00
Due State of New Jersey - Senior and Veteran	SA-14	<u>20,906.00</u>	<u>21,406.00</u>
		<u>2,287,575.48</u>	<u>2,470,050.81</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	109,063.37	20,642.82
Tax Title Liens Receivable	SA-6	718,606.21	687,770.95
Revenue Accounts Receivable	SA-8	2,526.14	8,024.93
Fire District Taxes	SA-9	27.00	
Due Animal Control Trust Fund	B	2,250.09	236.89
Due Federal, State and Local Grant Fund	SA-26	309,567.52	160,039.87
Due Trust Other Fund	B	16,671.31	29,637.02
Due Trust Other Fund - Payroll	B	<u>21,480.10</u>	<u>21,020.33</u>
		<u>1,180,191.74</u>	<u>927,372.81</u>
		<u>3,467,767.22</u>	<u>3,397,423.62</u>
Federal, State and Local Grant Fund:			
Due General Capital Fund	C	16,023.21	
Grants Receivable	SA-22	<u>1,082,276.39</u>	<u>885,343.23</u>
		<u>1,098,299.60</u>	<u>885,343.23</u>
		<u>\$ 4,566,066.82</u>	<u>\$ 4,282,766.85</u>

(Continued)

TOWNSHIP OF EASTAMPTON
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-15	\$ 308,515.13	\$ 338,095.13
Reserve for Encumbrances	A-3 ; SA-15	57,776.80	78,040.22
Accounts Payable	A	4,954.46	4,954.46
Prepaid Taxes	SA-7	145,882.37	108,263.16
Tax Overpayments	SA-10	49,030.45	33,117.73
Due County for Added/Omitted Taxes	SA-19	53,992.42	11,420.92
Fire District Taxes	SA-9		3,658.75
Due to Mount Holly Municipal Utilities Authority	SA-12		65,164.76
Due State of New Jersey:			
Division of Youth and Family Services	SA-17		200.00
Department of Community Affairs	SA-16	5,212.00	5,135.00
Due Municipal Open Space Trust Fund	B	234,989.06	352,497.18
Due General Capital Fund	C	722.83	237,466.40
Reserve for Performance Bonds	SA-13	106,590.83	116,336.61
Reserve for Fire Safety Inspections	A	280.00	280.00
Reserve for Reassessment Program	A	1,361.00	1,361.00
Reserve for Uniform Safety Act	A	328.00	328.00
Reserve for Codification of Ordinances	A	53,311.83	53,311.83
		<u>1,022,947.18</u>	<u>1,409,631.15</u>
Reserves for Receivables	A	1,180,191.74	927,372.81
Fund Balance	A-1	<u>1,264,628.30</u>	<u>1,060,419.66</u>
		<u>3,467,767.22</u>	<u>3,397,423.62</u>
Federal, State and Local Grant Fund:			
Reserve for Encumbrances	SA-24	477,026.81	179.00
Due General Capital Fund	C		193,616.00
Due Current Fund	SA-26	309,567.52	160,039.87
Unappropriated Reserves	SA-25		7,105.53
Appropriated Reserves	SA-23	311,705.27	524,402.83
		<u>1,098,299.60</u>	<u>885,343.23</u>
		<u>\$ 4,566,066.82</u>	<u>\$ 4,282,766.85</u>

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

TOWNSHIP OF EASTAMPTON
CURRENT FUND

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

<u>Revenue and Other Income Realized</u>	<u>2020</u>	<u>2019</u>
Fund Balance Utilized	\$ 575,000.00	\$ 530,000.00
Miscellaneous Revenues Anticipated	1,814,201.74	1,604,971.41
Receipts from Delinquent Taxes and Tax Title Liens	11,626.87	
Receipts from Current Taxes	14,570,698.68	13,988,302.16
Non-Budget Revenue	115,793.02	73,066.79
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	256,825.52	83,782.80
Statutory Excess in Animal Control Fund	2,013.20	236.89
Liquidation of Reserve for:		
Due Animal Control Trust Fund		480.06
Due from Trust Other - Payroll		22,507.47
Due from Trust Other Fund	12,965.71	151,343.62
Local District Taxes Cancelled		200,000.00
	<hr/>	<hr/>
Total Income	17,359,124.74	16,654,691.20
	<hr/>	<hr/>
<u>Expenditures</u>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	2,480,330.00	2,366,457.00
Other Expenses	1,868,221.04	1,795,653.43
Deferred Charges and Statutory Expenditures	732,931.96	774,823.49
Excluded from "CAPS":		
Operations:		
Salaries and Wages	43,000.00	25,000.00
Other Expenses	690,346.65	507,355.07
Capital Improvements--Excluded from "CAPS"	97,000.00	55,000.00
Municipal Debt Service--Excluded from "CAPS"	158,814.30	196,467.15
Deferred Charges Municipal - Excluded from "CAPS"		153.00
Local District School Tax	5,742,626.50	5,773,229.50
Regional District School Tax	2,046,044.52	1,986,089.50
County Taxes	1,986,408.03	1,927,165.65
Due County for Added and Omitted Taxes	53,992.42	11,420.92
Municipal Open Space Tax	224,806.05	224,912.70
Municipal Open Space Tax - Added Taxes	6,083.01	1,345.83
Fire District Taxes	296,884.00	292,700.00
Creation of Reserve for:		
Due Animal Control Trust Fund	2,013.20	
Due Trust Other - Payroll	459.77	
Due from Federal, State and Local Grant Fund	149,527.65	160,039.87
Due Fire District Taxes	27.00	
Refund of Prior Year Revenue	400.00	36,442.44
	<hr/>	<hr/>
Total Expenditures	16,579,916.10	16,134,255.55
	<hr/>	<hr/>
Statutory Excess to Fund Balance (Carried Forward)	779,208.64	520,435.65

(Continued)

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

<u>Revenue and Other Income Realized</u>	<u>2020</u>	<u>2019</u>
Statutory Excess to Fund Balance (Brought Forward)	\$ 779,208.64	\$ 520,435.65
 <u>Fund Balance</u>		
Balance Jan. 1	<u>1,060,419.66</u>	<u>1,069,984.01</u>
	1,839,628.30	1,590,419.66
Decreased by:		
Utilized as Revenue	<u>575,000.00</u>	<u>530,000.00</u>
Balance Dec. 31	<u><u>\$ 1,264,628.30</u></u>	<u><u>\$ 1,060,419.66</u></u>

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

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

	Budget	Anticipated N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 575,000.00	-	\$ 575,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000.00		10,000.00	
Municipal Court Fines and Costs	124,000.00		71,794.50	\$ (52,205.50)
Interest and Costs on Taxes	23,000.00		21,960.36	(1,039.64)
Interest on Investments and Deposits	41,838.00		12,475.96	(29,362.04)
Trailer Camp Licenses	11,000.00		4,960.00	(6,040.00)
Housing Resale Certificate	18,000.00		29,450.00	11,450.00
Payment in Lieu of Taxes-Pennrose	95,000.00		91,400.00	(3,600.00)
Police Reports	1,000.00		1,665.00	665.00
Hotel Fees	2,500.00		2,462.46	(37.54)
Gasoline Reimbursement	2,500.00		1,494.36	(1,005.64)
Payment in Lieu of Taxes-Eastampton Place/Fieldstone	140,000.00		343,868.07	203,868.07
Energy Receipts Taxes	426,947.00		426,947.01	0.01
Uniform Construction Code Fees	330,000.00		300,395.00	(29,605.00)
School Resource Officer - Shared Services	25,000.00		22,500.00	(2,500.00)
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
State and Federal Revenue Off-Set with Appropriations:				
N.J. Transportation Trust Fund Authority Act	225,000.00		225,000.00	
Body Armor Replacement Fund	1,926.89		1,926.89	
Burlington County Municipal Park Grant		\$ 200,000.00	200,000.00	
Recycling Tonnage Grant	7,105.53		7,105.53	
Clean Communities Grant		11,676.23	11,676.23	
Other Special Items:				
Verizon FIOS	7,384.91		7,384.91	
Cable Television	18,185.46		18,185.46	
Land Use Review Fees/Planning Board	200.00		1,550.00	1,350.00
Rental of Property	5,000.00			(5,000.00)
Miscellaneous Revenues	<u>1,515,587.79</u>	<u>211,676.23</u>	<u>1,814,201.74</u>	<u>86,937.72</u>
Receipts from Delinquent Taxes			<u>11,626.87</u>	<u>11,626.87</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>3,880,829.10</u>		<u>4,136,835.17</u>	<u>256,006.07</u>
Budget Totals	<u>5,971,416.89</u>	<u>211,676.23</u>	<u>6,537,663.78</u>	<u>354,570.66</u>
Non-Budget Revenue			<u>115,793.02</u>	<u>115,793.02</u>
	<u>\$ 5,971,416.89</u>	<u>\$ 211,676.23</u>	<u>\$ 6,653,456.80</u>	<u>\$ 470,363.68</u>

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

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 14,570,698.68
Allocated to:		
County, Municipal Open Space, Fire District and School Taxes		<u>10,527,863.51</u>
Amount for Support of Municipal Budget Appropriations		4,042,835.17
Add: Appropriation "Reserve for Uncollected Taxes"		<u>94,000.00</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 4,136,835.17</u>
Collection of Delinquent Taxes:		
Prior Years Taxes		\$ 3,275.84
Tax Title Liens		<u>8,351.03</u>
		<u>\$ 11,626.87</u>
Interest on Investments and Deposits:		
Current	\$ 8,465.71	
Animal Control	39.16	
Trust Other	1,122.32	
Trust Other - Payroll	199.05	
General Capital	<u>2,649.72</u>	
		<u>\$ 12,475.96</u>

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:		
Receipts:		
Other Licenses	\$ 2,243.00	
Certified Marriage Licenses	445.00	
Scrap Sale	78.10	
Certified Death and Lists	80.00	
Zoning	11,229.00	
Trash Cans	8,108.64	
Off Duty Police Administrative Fees	17,929.70	
Insurance Refunds	45.29	
Inspection Fines	300.00	
Tow License	400.00	
COVID-19 Reimbursement	4,746.55	
Auction Proceeds	28,612.94	
Seniors & Veterans Administrative Fee	885.00	
Recycling	600.00	
Refund of Prior Year Expenditures	3,160.45	
Vacant & Foreclosed Properties	23,300.00	
Miscellaneous	<u>13,169.58</u>	
		\$ 115,333.25
Due Trust Other Fund - Miscellaneous		<u>459.77</u>
		<u>\$ 115,793.02</u>

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

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

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS--WITHIN "CAPS"						
<u>General Government</u>						
General Administration						
Salaries and Wages	\$ 112,700.00	\$ 76,200.00	\$ 73,021.89		\$ 3,178.11	
Other Expenses	14,000.00	15,500.00	14,380.77	\$ 695.00	424.23	
Information Technology	55,000.00	56,000.00	50,376.25		5,623.75	
Mayor and Council						
Salaries and Wages	14,484.00	14,484.00	14,479.80		4.20	
Other Expenses	500.00	500.00	30.00		470.00	
Municipal Clerk						
Salaries and Wages	139,950.00	169,950.00	168,961.25		988.75	
Other Expenses	23,000.00	23,000.00	16,115.55	47.06	6,837.39	
Elections	4,000.00	4,000.00	2,477.75		1,522.25	
Codification of Ordinances	4,500.00	4,500.00	3,184.00		1,316.00	
Financial Administration (Treasury)						
Salaries and Wages	1.00	10,001.00	8,750.00		1,251.00	
Other Expenses	115,000.00	120,000.00	113,646.10	205.98	6,147.92	
Audit Services						
Miscellaneous Other Expenses	35,000.00	35,000.00	31,020.00		3,980.00	
Revenue Administration (Tax Collections)						
Salaries and Wages	28,500.00	28,500.00	28,408.39		91.61	
Other Expenses	6,000.00	6,000.00	5,572.33		427.67	
Assessment of Taxes:						
Salaries and Wages	18,000.00	18,000.00	17,340.01		659.99	
Other Expenses	6,500.00	6,500.00	3,189.93		3,310.07	
Legal Services						
Other Expenses	140,000.00	120,000.00	93,856.79		26,143.21	
Architect						
Other Expenses	2,000.00	2,000.00			2,000.00	
Engineering Services and Costs						
Other Expenses	30,000.00	42,000.00	33,009.12	368.00	8,622.88	
<u>Land Use Administration</u>						
Planning Board						
Salaries and Wages	7,200.00	7,200.00	7,180.22		19.78	
Other Expenses	500.00	500.00	231.97		268.03	
Engineering Services & Costs	1,000.00	1,000.00			1,000.00	
Legal Services & Costs	11,000.00	3,821.04			3,821.04	
Municipal Planner	1,000.00	1,000.00			1,000.00	

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

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Insurance</u>						
Unemployment Insurance	\$ 12,000.00	\$ 12,000.00	\$ 10,466.13		\$ 1,533.87	
Other Insurance Premiums	2,000.00	2,000.00	1,433.00		567.00	
General Liability	95,000.00	95,000.00	95,000.00			
Workers' Compensation Insurance	139,000.00	135,000.00	134,888.10		111.90	
Special Assessment	16,000.00					
Employee Group Insurance	440,000.00	440,000.00	396,164.98		43,835.02	
Health Benefits Waiver	16,000.00	16,000.00	16,000.00			
Cafeteria Plan	100.00	100.00			100.00	
Economic Development						
Other Expenses	500.00	500.00			500.00	
<u>Public Safety Functions</u>						
<u>Police</u>						
Salaries and Wages	1,795,495.00	1,770,495.00	1,748,534.44		21,960.56	
Other Expenses	119,500.00	119,500.00	82,634.56	\$ 11,357.01	25,508.43	
<u>Office of Emergency Management</u>						
Salaries and Wages	2,500.00	2,500.00	2,500.00			
Other Expenses	500.00	500.00	85.00		415.00	
<u>Public Works Functions</u>						
<u>Environmental Commission</u>						
Other Expenses	1,000.00	1,000.00			1,000.00	
<u>Other Public Works Functions</u>						
Salaries and Wages	182,000.00	177,000.00	156,341.33		20,658.67	
Other Expenses	50,000.00	50,000.00	41,841.08	7,713.20	445.72	
<u>Vehicle Maintenance</u>						
Other Expenses	25,000.00	27,000.00	25,295.91	824.26	879.83	
<u>Buildings and Grounds</u>						
Salaries and Wages	87,000.00	87,000.00	83,944.85		3,055.15	
Other Expenses	10,500.00	13,000.00	11,796.46	1,139.18	64.36	
<u>Animal Control Services</u>						
Salaries and Wages	6,000.00	6,000.00	5,583.36		416.64	
Other Expenses	1,000.00	1,000.00			1,000.00	
<u>Parks and Recreation Functions</u>						
<u>Recreation Services & Programs</u>						
Veterans Affairs and Military Committee	500.00	500.00	15.00		485.00	
Other Expenses	1,200.00	1,200.00	801.97	365.11	32.92	

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

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS--WITHIN "CAPS" (CONT'D)						
<u>Utility Expense and Bulk Purchases</u>						
Electricity	\$ 60,000.00	\$ 60,000.00	\$ 56,227.86		\$ 3,772.14	
Street Lighting	65,000.00	65,000.00	56,000.00		9,000.00	
Telephone	35,000.00	35,000.00	31,649.77		3,350.23	
Fuel Oil	10,000.00	10,000.00	6,961.69		3,038.31	
Gasoline	55,000.00	51,000.00	31,261.42		19,738.58	
Sewer	2,000.00	2,000.00	977.24		1,022.76	
Water	7,000.00	7,000.00	4,426.01		2,573.99	
Landfill Waste Disposal Disposal Costs	185,000.00	185,000.00	154,566.33		30,433.67	
State Uniform Construction Code Construction Official Salaries and Wages	115,000.00	115,000.00	114,585.08		414.92	
Other Expenses	50,000.00	50,000.00	13,500.91	\$ 35,062.00	1,437.09	
<u>Unclassified</u>						
Celebration of Public Events	500.00	500.00	70.00		430.00	
Accumulated Absences	45,000.00	45,000.00	45,000.00			
Contingent	100.00	100.00			100.00	
Total Operations --within "CAPS"	4,402,230.00	4,348,551.04	4,013,784.60	57,776.80	276,989.64	-
Detail:						
Salaries and Wages	2,508,830.00	2,480,330.00	2,429,630.62		53,184.38	
Other Expenses (Including Contingent)	1,893,400.00	1,868,221.04	1,584,153.98	57,776.80	223,805.26	
DEFERRED CHARGES AND STATUTORY						
EXPENDITURES --MUNICIPAL--WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	114,028.00	109,209.46	109,209.46			
Social Security System (O.A.S.I.)	200,000.00	200,000.00	182,902.46		17,097.54	
Police and Firemen's Retirement System of N.J.	423,725.00	423,722.50	423,722.50			
Defined Contribution Retirement Program	2,500.00					
Total Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"	740,253.00	732,931.96	715,834.42	-	17,097.54	-
Total General Appropriations for Municipal Purposes Within--"CAPS"	5,142,483.00	5,081,483.00	4,729,619.02	57,776.80	294,087.18	-

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS-- EXCLUDED FROM "CAPS"						
<u>Other</u>						
Recycling Tax	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00			
<u>Interlocal Municipal Service Agreements</u>						
MACCS Interlocal Services Agreement	100,000.00	143,000.00	138,164.02		\$ 4,835.98	
Westampton Municipal Court	90,000.00	90,000.00	89,559.38		440.62	
School Resource Officer Shared Services Agreement	25,000.00	43,000.00	41,347.65		1,652.35	
Brine Solution - Medford Township	1,500.00	1,500.00			1,500.00	
<u>Additional Appropriations Offset by Revenues</u>						
Supplemental Fire Services Program	1,838.00	1,838.00	1,838.00			
<u>Public and Private Programs Offset by Revenues</u>						
Recycling Tonnage Grant	7,105.53	7,105.53	7,105.53			
Body Armor Replacement Fund	1,926.89	1,926.89	1,926.89			
N.J. Transportation Trust Fund Authority Act	225,000.00	225,000.00	225,000.00			
Matching Fund for Grants	2,500.00	2,500.00			2,500.00	
Burlington County Municipal Park Grant (40A:4-87 \$200,000.00)		200,000.00	200,000.00			
Clean Communities Grant (40A:4-87 \$11,676.23)		11,676.23	11,676.23			
Total Operations Excluded from "CAPS"	460,670.42	733,346.65	722,417.70	-	10,928.95	-
Detail:						
Salaries and Wages	25,000.00	43,000.00	41,347.65		1,652.35	
Other Expenses	435,670.42	690,346.65	681,070.05		9,276.60	
CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00			
Capital Outlay	47,000.00	47,000.00	43,501.00		3,499.00	
Total Capital Improvements	97,000.00	97,000.00	93,501.00	-	3,499.00	-
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"						
Payment of Bond Principal	29,151.00	29,151.00	29,151.00			
Payment of Bond Anticipation Notes and Capital Notes	1.00	1.00				\$ 1.00
Interest on Bonds	9,111.47	9,111.47	9,111.46			0.01
Interest on Notes	101,000.00	101,000.00	100,851.66			148.34
Capital Lease - Principal and Interest Police	38,000.00	38,000.00	19,700.18			18,299.82
Total Municipal Debt Service-- Excluded from "CAPS"	177,263.47	177,263.47	158,814.30	-	-	18,449.17

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 734,933.89	\$ 1,007,610.12	\$ 974,733.00		\$ 14,427.95	\$ 18,449.17
Subtotal General Appropriations	5,877,416.89	6,089,093.12	5,704,352.02	\$ 57,776.80	308,515.13	18,449.17
Reserve for Uncollected Taxes	94,000.00	94,000.00	94,000.00			
Total General Appropriations	<u>\$ 5,971,416.89</u>	<u>\$ 6,183,093.12</u>	<u>\$ 5,798,352.02</u>	<u>\$ 57,776.80</u>	<u>\$ 308,515.13</u>	<u>\$ 18,449.17</u>
Adopted Budget		\$ 5,971,416.89				
Appropriations by N.J.S.A. 40A:4-87		<u>211,676.23</u>				
		<u>\$ 6,183,093.12</u>				
Disbursed			\$ 5,194,568.37			
Reserve for Uncollected Taxes			94,000.00			
Prepaid Debt Service			64,075.00			
Reserve for Federal and State Grant Funds - Appropriated			<u>445,708.65</u>			
			<u>\$ 5,798,352.02</u>			

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

TOWNSHIP OF EASTAMPTON
TRUST FUNDS
 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>
Animal Control Fund:			
Cash	SB-1	\$ 9,463.29	\$ 7,288.29
Municipal Open Space Trust Fund:			
Cash	SB-1	506,203.15	776,758.93
Due Current Fund	SB-5	234,989.06	352,497.18
		<u>741,192.21</u>	<u>1,129,256.11</u>
Other Funds:			
Cash	SB-1	1,222,000.58	973,113.86
Due Open Space Trust Fund	B	1,890.00	1,890.00
		<u>1,223,890.58</u>	<u>975,003.86</u>
		<u>\$ 1,974,546.08</u>	<u>\$ 2,111,548.26</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Prepaid Licenses	SB-1	\$ 10.00	
Due Current Fund	SB-4	2,250.09	\$ 236.89
Reserve for Animal Control Fund Expenditures	SB-2	7,203.20	7,051.40
		<u>9,463.29</u>	<u>7,288.29</u>
Municipal Open Space Trust Fund:			
Reserve for Open Space	B-1	739,302.21	1,127,366.11
Due Trust Fund Other	B	1,890.00	1,890.00
		<u>741,192.21</u>	<u>1,129,256.11</u>

(Continued)

TOWNSHIP OF EASTAMPTON
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2020 and 2019

<u>LIABILITIES AND RESERVES (CONT'D)</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Other Funds:			
Payroll Deductions Payable	SB-6	\$ 2,006.61	\$ 21,615.98
Due Current Fund - Payroll	SB-7	21,480.10	21,020.33
Due Current Fund	SB-8	16,671.31	29,637.02
Reserve for Parks and Recreation	SB-9	476.05	476.05
Reserve for Redemption of Tax Title Liens	SB-9	75,116.95	15,764.20
Reserve for Storm Water Management	SB-9	898.57	898.57
Reserve for Parks and Recreation Building	SB-9	3,786.82	10,742.13
Reserve for Community Development Block Grant	SB-9	8.54	8.54
Reserve for Special Law Enforcement Fund	SB-9	4,360.06	4,341.69
Reserve for Off Duty Police	SB-9	7,792.58	4,807.58
Reserve for Escrow Deposits	SB-9	43,493.82	39,686.81
Reserve for Developer Escrow	SB-9	117,769.84	185,529.44
Reserve for Tax Sale Premiums	SB-9	63,700.00	221,200.00
Reserve for School Driveway	SB-9	10.02	10.02
Reserve for COAH	SB-9	799,010.28	419,265.50
Reserve for Accumulated Absences	SB-9	45,000.00	
Reserve for RCASA	SB-9	22,309.03	
		<u>1,223,890.58</u>	<u>975,003.86</u>
		<u>\$ 1,974,546.08</u>	<u>\$ 2,111,548.26</u>

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

TOWNSHIP OF EASTAMPTON
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:		
Reserve Funds Anticipated	\$ 424,142.95	\$ 415,580.80
Amount to be Raised by Taxation	230,889.06	226,258.53
Interest Income	<u>3,610.71</u>	<u>17,274.16</u>
Total Income	<u>658,642.72</u>	<u>659,113.49</u>
EXPENDITURES:		
Budget Appropriations:		
Maintenance of Lands for Recreation & Conservation	122,676.13	109,488.19
Debt Service	<u>499,887.54</u>	<u>516,096.84</u>
Total Expenditures	<u>622,563.67</u>	<u>625,585.03</u>
Excess (Deficit) to Reserve For Future Use	36,079.05	33,528.46
RESERVE FOR FUTURE USE:		
Balance January 1	<u>1,127,366.11</u>	<u>1,509,418.45</u>
Decreased by:	1,163,445.16	1,542,946.91
Utilized as Revenue	<u>424,142.95</u>	<u>415,580.80</u>
Balance December 31	<u>\$ 739,302.21</u>	<u>\$ 1,127,366.11</u>

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

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

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Amount to be Raised by Taxation	\$ 224,806.05	\$ 230,889.06	\$ 6,083.01
Interest Income	11,000.00	3,610.71	(7,389.29)
Reserve Funds	<u>424,142.95</u>	<u>424,142.95</u>	
	<u>\$ 659,949.00</u>	<u>\$ 658,642.72</u>	<u>\$ (1,306.28)</u>
 Recap:			
Cash Received		\$ 3,610.71	
Due Current Fund		230,889.06	
Reserve Funds		<u>424,142.95</u>	
		<u>\$ 658,642.72</u>	

Analysis of Realized Revenues

Amount to be Raised by Taxation:	
Current Year Levy	\$ 224,806.05
Added and Omitted Taxes	<u>6,083.01</u>
	<u>\$ 230,889.06</u>

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

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

	<u>Appropriations</u>		<u>Expended</u>	Unexpended Balance Canceled
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	
Maintenance of Lands for Recreation & Conservation:				
Salaries and Wages	\$ 115,000.00	\$ 115,000.00	\$ 115,000.00	
Other Expenses	45,000.00	45,000.00	7,676.13	\$ 37,323.87
Debt Service:				
Payment of Bond Principal	380,849.00	380,849.00	380,849.00	
Interest on Bonds	119,100.00	119,100.00	119,038.54	61.46
	<u>\$ 659,949.00</u>	<u>\$ 659,949.00</u>	<u>\$ 622,563.67</u>	<u>\$ 37,385.33</u>
Disbursed			<u>\$ 622,563.67</u>	

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

TOWNSHIP OF EASTAMPTON
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	\$ 1,403,513.38	\$ 712,610.51
Due Current Fund	SC-6	722.83	237,466.40
Due Federal and State Grant Fund	SC-9		193,616.00
Deferred Charges to Future Taxation:			
Funded	SC-3	5,835,000.00	3,780,000.00
Unfunded	SC-4	1,995,000.00	3,611,360.00
		<u>\$ 9,234,236.21</u>	<u>\$ 8,535,052.91</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	SC-10	\$ 5,835,000.00	\$ 3,780,000.00
Bond Anticipation Notes	SC-11	1,995,000.00	3,611,360.00
Improvement Authorizations:			
Funded	SC-5	278,137.61	1,215.95
Unfunded	SC-5	524,973.47	602,166.29
Capital Improvement Fund	SC-8	83.00	83.00
Reserve for Encumbrances	SC-7	573,057.87	538,609.17
Due Federal and State Grant Fund	SC-9	16,023.21	
Fund Balance	C-1	11,961.05	1,618.50
		<u>\$ 9,234,236.21</u>	<u>\$ 8,535,052.91</u>

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

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

Balance Dec. 31, 2019	\$ 1,618.50
Increased By:	
Premium from Bonds and Bond Anticipation Notes	<u>10,342.55</u>
Balance Dec. 31, 2020	<u>\$ 11,961.05</u>

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

TOWNSHIP OF EASTAMPTON
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset 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	\$ 9,843,323.95			\$ 9,843,323.95
Buildings	217,001.05			217,001.05
Machinery and Equipment	<u>2,305,976.00</u>	\$ 399,429.00	\$ 495,354.00	<u>2,210,051.00</u>
	<u>\$ 12,366,301.00</u>	<u>\$ 399,429.00</u>	<u>\$ 495,354.00</u>	<u>\$ 12,270,376.00</u>
Investment in General Fixed Assets	<u>\$ 12,366,301.00</u>	<u>\$ 399,429.00</u>	<u>\$ 495,354.00</u>	<u>\$ 12,270,376.00</u>

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

TOWNSHIP OF EASTAMPTON
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 Eastampton (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 11, 1880 from portions of Westampton Township. The Township, located in Burlington County, New Jersey, has a total area of approximately five square miles, and is located approximately twenty-three miles from the City of Philadelphia. The Township borders Mount Holly, Westampton, Springfield, Pemberton, Southampton, and Lumberton Townships. According to the 2010 census, the population is 5,949.

The Township is governed under the Faulkner Act System using Council-Manager form of government, with a five-member Council. The Council is elected directly by the voters in partisan elections to serve four-year terms of office on a staggered basis in even years as part of the November general election. At an annual reorganization meeting, the Council selects one of its members to serve as Mayor and another as Deputy Mayor. The Township Manager oversees the daily functions of the Township.

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.

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 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 \$3,000.00. 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 Eastampton School District, the Rancocas Valley Regional High School District, the Township of Eastampton Open Space Trust Fund and the Township of Eastampton Fire 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 Eastampton School District and the Rancocas Valley Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local and regional school districts 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.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Eastampton Fire District. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

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

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

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 \$5,649,186.24 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 5,411,953.82
Uninsured and Uncollateralized	<u>237,232.42</u>
Total	<u>\$ 5,649,186.24</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	\$ 3.193	\$ 3.115	\$ 3.122	\$ 3.092	\$ 3.065
Apportionment of Tax Rate:					
Municipal	\$ 0.863	\$ 0.831	\$ 0.851	\$ 0.851	\$ 0.851
Municipal Open Space	0.050	0.050	0.052	0.052	0.052
Fire District	0.067	0.066	0.066	0.065	0.066
County	0.386	0.363	0.363	0.352	0.357
County Open Space	0.023	0.033	0.027	0.042	0.042
County Library	0.035	0.034	0.032	0.033	0.034
Local School	1.291	1.307	1.263	1.244	1.224
Regional High School District	0.478	0.431	0.468	0.453	0.439

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 449,612,105.00
2019	449,825,422.00
2018	433,302,551.00
2017	430,270,904.00
2016	428,795,214.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$14,742,266.58	\$ 14,570,698.68	98.84%
2019	14,093,431.95	13,988,302.16	99.25%
2018	13,952,983.97	13,898,989.37	99.61%
2017	13,380,719.26	13,339,235.80	99.69%
2016	13,168,378.29	13,080,594.32	99.33%

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	\$ 718,606.21	\$ 109,063.37	\$ 827,669.58	5.61%
2019	687,770.95	20,642.82	708,413.77	5.03%
2018	623,930.68	12,014.18	635,944.86	4.56%
2017	597,464.20	9,575.21	607,039.41	4.54%
2016	572,994.85	11,480.07	584,474.92	4.44%

Note 3: PROPERTY TAXES (CONT'D)

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	30
2019	31
2018	32
2017	36
2016	31

Note 4: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 1,264,628.30	\$ 675,000.00	53.38%
2019	1,060,419.66	575,000.00	54.22%
2018	1,069,984.01	530,000.00	49.53%
2017	809,384.01	421,125.00	52.03%
2016	800,653.88	393,775.00	49.18%

Note 5: 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	\$ 349,969.02	\$ 235,711.89
Federal and State Grant	16,023.21	309,567.52
Trust - Animal Control		2,250.09
Trust - Open Space	234,989.06	1,890.00
Trust - Other	1,890.00	38,151.41
General Capital	722.83	16,023.21
	<hr/>	<hr/>
Totals	<u>\$ 603,594.12</u>	<u>\$ 603,594.12</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 6: PENSION PLANS

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, eligible Township employees may 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 and PFRS 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.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Township. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

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.

Note 6: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****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.

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.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

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

Note 6: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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 13.99% 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.

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 \$106,005.00, 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 \$106,564.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$57,292.04.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A. 43:16A 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 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

Note 6: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

The Township's contractually required contribution rate for the year ended December 31, 2020 was 29.63% 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, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$419,642.00, 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 \$401,315.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$145,777.60.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2020 was 4.09% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2020 was \$57,963.00, and is payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2019 was \$51,729.00, which was paid on April 1, 2020.

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 is required to contribute 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.

The Township adopted a Defined Contribution Retirement Program on September 22, 2008. Currently, no Township employees participate in the program.

Note 6: PENSION PLANS (CONT'D)**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 \$1,580,205.00. 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 0.0096901177%, which was a decrease of 0.0012653058% 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 \$80,326.00. 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 \$106,564.00, and was paid on April 1, 2020.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2020, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 4,853,625.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>753,260.00</u>
	<u>\$ 5,606,885.00</u>

Pension Liability - 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 and the State of New Jersey, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was 0.0375629205%, which was a decrease of 0.0021668875% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Township, was 0.0375629205%, which was a decrease of 0.0021668875% from its proportion, on-behalf of the Township, measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$312,254.00. 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 PFRS was \$401,315.00, and was paid on April 1, 2020.

Note 6: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

Pension Expense (Cont'd) - For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2020 measurement date, was \$85,367.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 28,773.00	\$ 48,933.00	\$ 77,706.00	\$ 5,588.00	\$ 17,419.00	\$ 23,007.00
Changes of Assumptions	51,264.00	12,214.00	63,478.00	661,647.00	1,301,228.00	1,962,875.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	54,013.00	284,591.00	338,604.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	251,416.00	190,596.00	442,012.00	277,528.00	333,743.00	611,271.00
Township Contributions Subsequent to the Measurement Date	53,003.00	209,821.00	262,824.00	-	-	-
	<u>\$ 438,469.00</u>	<u>\$ 746,155.00</u>	<u>\$ 1,184,624.00</u>	<u>\$ 944,763.00</u>	<u>\$ 1,652,390.00</u>	<u>\$ 2,597,153.00</u>

Deferred outflows of resources in the amounts of \$53,003.00 and \$209,821.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Township's year end of December 31, 2020.

Note 6: 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:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<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	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	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	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

Note 6: 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>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (152,661.00)	\$ (446,944.00)	\$ (599,605.00)
2022	(161,880.00)	(320,570.00)	(482,450.00)
2023	(135,562.00)	(171,303.00)	(306,865.00)
2024	(91,326.00)	(84,027.00)	(175,353.00)
2025	(17,868.00)	(93,212.00)	(111,080.00)
	<u>\$ (559,297.00)</u>	<u>\$ (1,116,056.00)</u>	<u>\$ (1,675,353.00)</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:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

Note 6: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% 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 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For both PERS and PFRS, 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' and PFRS' 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 6: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

Public Employees' Retirement System - 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.

Police and Firemen's Retirement System - 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 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 will 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - 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:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 1,989,214.00	\$ 1,580,205.00	\$ 1,233,149.00

Note 6: PENSION PLANS (CONT'D)**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of the June 30, 2020 measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	PFRS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 6,454,322.00	\$ 4,853,625.00	\$ 3,524,123.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	1,001,681.00	753,260.00	546,928.00
	<u>\$ 7,456,003.00</u>	<u>\$ 5,606,885.00</u>	<u>\$ 4,071,051.00</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 PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. 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 6: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. 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)

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0096901177%	0.0109554235%	0.0103357179%	0.0104937083%
Township's Proportionate Share of the Net Pension Liability	\$ 1,580,205.00	\$ 1,974,001.00	\$ 2,035,051.00	\$ 2,442,768.00
Township's Covered Payroll (Plan Measurement Period)	\$ 662,480.00	\$ 701,408.00	\$ 725,832.00	\$ 687,768.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	238.53%	281.43%	280.37%	355.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0076926045%	0.0092285757%	0.0094062781%	0.0075069055%
Township's Proportionate Share of the Net Pension Liability	\$ 2,278,329.00	\$ 2,071,630.00	\$ 1,761,113.00	\$ 1,434,719.00
Township's Covered Payroll (Plan Measurement Period)	\$ 494,196.00	\$ 636,596.00	\$ 650,504.00	\$ 517,836.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	461.02%	325.42%	270.73%	277.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Note 6: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 106,005.00	\$ 106,564.00	\$ 102,807.00	\$ 97,213.00
Township's Contribution in Relation to the Contractually Required Contribution	\$ (106,005.00)	\$ (106,564.00)	(102,807.00)	(97,213.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 757,892.00	\$ 647,209.00	\$ 662,040.00	\$ 734,307.00
Township's Contributions as a Percentage of Covered Payroll	13.99%	16.47%	15.53%	13.24%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 68,340.00	\$ 79,341.00	\$ 77,544.00	\$ 56,563.00
Township's Contribution in Relation to the Contractually Required Contribution	(68,340.00)	(79,341.00)	(77,544.00)	(56,563.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 689,447.00	\$ 551,887.00	\$ 596,113.00	\$ 630,137.00
Township's Contributions as a Percentage of Covered Payroll	9.91%	14.38%	13.01%	8.98%

Note 6: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (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	0.0375629205%	0.0397298080%	0.0388541949%	0.0394284432%
Township's Proportionate Share of the Net Pension Liability	\$ 4,853,625.00	\$ 4,862,062.00	\$ 5,257,613.00	\$ 6,086,989.00
State's Proportionate Share of the Net Pension Liability associated with the Township	753,260.00	767,729.00	714,160.00	681,794.00
Total	\$ 5,606,885.00	\$ 5,629,791.00	\$ 5,971,773.00	\$ 6,768,783.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,313,964.00	\$ 1,346,564.00	\$ 1,303,928.00	\$ 1,276,288.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	369.39%	361.07%	403.21%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	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	0.0371495057%	0.0374406943%	0.0349794064%	0.0327652538%
Township's Proportionate Share of the Net Pension Liability	\$ 7,096,506.00	\$ 6,236,315.00	\$ 4,400,085.00	\$ 4,355,845.00
State's Proportionate Share of the Net Pension Liability associated with the Township	595,930.00	546,904.00	473,815.00	406,018.00
Total	\$ 7,692,436.00	\$ 6,783,219.00	\$ 4,873,900.00	\$ 4,761,863.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,155,936.00	\$ 1,185,676.00	\$ 1,104,820.00	\$ 1,028,420.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	613.92%	525.97%	398.26%	423.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Note 6: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 419,642.00	\$ 401,315.00	\$ 379,857.00	\$ 348,949.00
Township's Contribution in Relation to the Contractually Required Contribution	(419,642.00)	(401,315.00)	(379,857.00)	(348,949.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 1,416,361.00	\$ 1,315,534.00	\$ 1,319,527.00	\$ 1,301,945.00
Township's Contributions as a Percentage of Covered Payroll	29.63%	30.51%	28.79%	26.80%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 302,895.00	\$ 304,337.00	\$ 268,666.00	\$ 239,048.00
Township's Contribution in Relation to the Contractually Required Contribution	(302,895.00)	(304,337.00)	(268,666.00)	(239,048.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 1,277,557.00	\$ 1,192,196.00	\$ 1,171,763.00	\$ 1,118,871.00
Township's Contributions as a Percentage of Covered Payroll	23.71%	25.53%	22.93%	21.37%

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.

Note 6: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information (Cont'd)*****Public Employees' Retirement System (PERS) (Cont'd)***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.

Police and Firemen's Retirement System (PFRS)Changes in Benefit Terms

None

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	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

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 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN**

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 GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2020 was not available; therefore, the information from the measurement period 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>.

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.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)**

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 \$13,277.40, for the year ended December 31, 2019, representing 0.68% of the Township's covered payroll. During the year ended December 31, 2019, retirees were required to contribute \$399.10 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.

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 amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the Township, is \$58,965.00 for the year ended December 31, 2019 representing 3.00% of the Township's covered payroll.

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

OPEB Liability - At December 31, 2019 the Township's and State's proportionate share of the net OPEB liability were as follows:

Township's Proportionate Share of Net OPEB Liability	\$ 1,695,833.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township	4,448,425.00
	<u>\$ 6,144,258.00</u>

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

OPEB Liability (Cont'd) - 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 0.012519% which was a decrease of 0.002930% from its proportion measured as of the June 30, 2018 measurement date.

The State's proportion of the net OPEB liability, on-behalf of the Township was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the Township was 0.080504% which was a decrease of 0.003955% 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 (\$78,874.00). 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 \$13,277.40.

At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date is \$58,965.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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	\$ -	\$ 495,928.00
Changes of Assumptions	-	600,965.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	1,397.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	197,064.00	646,521.00
Township Contributions Subsequent to the Measurement Date	7,745.15	-
	<u>\$ 206,206.15</u>	<u>\$ 1,743,414.00</u>

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (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) - \$7,745.15 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. 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (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 Dec. 31,		
2020	\$	(241,489.00)
2021		(241,489.00)
2022		(241,598.00)
2023		(241,775.00)
2024		(241,937.00)
Thereafter		<u>(336,665.00)</u>
	<u>\$</u>	<u>(1,544,953.00)</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 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (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

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays a portion of the Township's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, for the Township and the State of New Jersey, 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 (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Township's Proportionate Share of the Net OPEB Liability	\$ 1,960,814.00	\$ 1,695,833.00	\$ 1,480,501.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>5,143,511.00</u>	<u>4,448,425.00</u>	<u>3,883,576.00</u>
	<u>\$ 7,104,325.00</u>	<u>\$ 6,144,258.00</u>	<u>\$ 5,364,077.00</u>

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The Township's and State'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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Township's Proportionate Share of the Net OPEB Liability	\$ 1,431,074.00	\$ 1,695,833.00	\$ 2,033,578.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>3,753,922.00</u>	<u>4,448,425.00</u>	<u>5,334,380.00</u>
	<u>\$ 5,184,996.00</u>	<u>\$ 6,144,258.00</u>	<u>\$ 7,367,958.00</u>

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>.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****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)

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.012519%	0.015449%	0.014297%
Township's Proportionate Share of the Net OPEB Liability	\$ 1,695,833.00	\$ 2,420,336.00	\$ 2,918,845.00
State's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>4,448,425.00</u>	<u>5,248,151.00</u>	<u>7,185,020.00</u>
Total	<u>\$ 6,144,258.00</u>	<u>\$ 7,668,487.00</u>	<u>\$ 10,103,865.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,957,873.00	\$ 2,010,221.00	\$ 2,027,139.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	86.62%	120.40%	143.99%
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)

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 13,277.40	\$ 10,205.73	\$ 7,556.16
Township's Contributions in Relation to the Required Contribution	<u>(13,277.40)</u>	<u>(10,205.73)</u>	<u>(7,556.16)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,964,743.00	\$ 1,981,567.00	\$ 2,036,252.00
Township's Contributions as a Percentage of Covered Payroll	0.68%	0.52%	0.37%

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (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 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF EASTAMPTON POSTEMPLOYMENT BENEFIT PLAN**

Plan Description and Benefits Provided - The Township provides postretirement dental coverage to eligible retired employees and their families until Medicare age is attained. The Township's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population: eligible retirees who retire from active employment with the Township who have at least twenty (25) years of service with the Township and are at least 55 years of age. Currently, one (1) retiree meets these eligibility requirements. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retiree are paid in semi-yearly installments after the Township provides the retiree with a detailed accounting of the costs.

Employees Covered by Benefit Terms - As of December 31, 2020, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	1
Active Employees	29
	30
	30

Total OPEB Liability

The Township's total OPEB liability of \$69,032.00 was measured as of December 31, 2020 and was determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	5.00%
Discount Rate	1.91%
Healthcare Cost Trend Rates	2.00%
Retirees' Share of Benefit-Related Costs	20% of premium charged

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on the RP-2014 White Collar Table projected with Scale MP 18.

An experience study was not performed on the actuarial assumptions used in the December 31, 2020 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF EASTAMPTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Changes in Total OPEB Liability

Balance at December 31, 2019		\$ 45,940.00
Changes for the Year:		
Service Cost	\$ 5,118.00	
Interest Cost	1,138.00	
Benefit Payments	(499.00)	
Changes in Assumptions	4,399.00	
Difference between Expected and Actual Experience	<u>12,936.00</u>	
Net Changes		<u>23,092.00</u>
Balance at December 31, 2020		<u>\$ 69,032.00</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.64% at December 31, 2019 to 1.91% at December 31, 2020.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	<u>1.00% Decrease (0.91%)</u>	<u>Current Discount Rate (1.91%)</u>	<u>1.00% Increase (2.91%)</u>
Total OPEB Liability	<u>\$ 88,141.00</u>	<u>\$ 69,032.00</u>	<u>\$ 54,723.00</u>

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 52,266.00</u>	<u>\$ 69,032.00</u>	<u>\$ 92,507.00</u>

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF EASTAMPTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2020, the Township recognized OPEB (benefit) expense of \$7,208.00. As of December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 22,516.00	\$ 2,984.00
Difference Between Expected and Actual Experience	<u>12,289.00</u>	<u>13,502.00</u>
	<u>\$ 34,805.00</u>	<u>\$ 16,486.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

Year Ending <u>Dec 31,</u>		
2021	\$	952.00
2022		952.00
2023		952.00
2024		952.00
2025		952.00
Thereafter		<u>13,559.00</u>
	<u>\$</u>	<u>18,319.00</u>

Supplementary OPEB Information

In accordance with GASB No. 75, the following information is also presented for the Township's OPEB 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.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF EASTAMPTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of Changes in the Township's Total OPEB Liability and Related Ratios (Last Three Years):***

	<u>Plan Measurement Date December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 5,118.00	\$ 3,684.00	\$ 3,386.00
Interest Cost	1,138.00	793.00	1,353.00
Benefit Payments	(499.00)	(406.00)	(406.00)
Changes in Assumptions	4,399.00	9,831.00	(3,509.00)
Difference Between Expected and Actual Experience	12,936.00		(6,148.00)
	<u>23,092.00</u>	<u>13,902.00</u>	<u>(5,324.00)</u>
Net Change in Total OPEB Liability			
	23,092.00	13,902.00	(5,324.00)
Total OPEB Liability - Beginning of Fiscal Year	<u>45,940.00</u>	<u>32,038.00</u>	<u>37,362.00</u>
Total OPEB Liability - End of Fiscal Year	<u>\$ 69,032.00</u>	<u>\$ 45,940.00</u>	<u>\$ 32,038.00</u>
Covered-Employee Payroll	\$ 2,571,890.38	\$ 2,466,966.70	\$ 2,608,780.68
Total OPEB Liability as a Percentage of Covered Payroll	2.68%	1.86%	1.23%

Other Notes to Supplementary OPEB Information

Changes of Benefit Terms:

None.

Changes of Assumptions:

In 2020, the discount rate changed to 1.91% from 3.64%.

Note 8: COMPENSATED ABSENCES

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated and is paid at the average of the last three years' rate of pay upon termination or retirement for police officers and at the last year's rate of pay for all other employees.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2020, accrued benefits for compensated absences are valued at \$334,242.49.

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: LEASE OBLIGATIONS

At December 31, 2020, the Township had lease agreements in effect for the following:

Operating:
One (1) Mailing System

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

<u>Year</u>	<u>Amount</u>
2021	\$ 2,133.00
2022	2,133.00
2023	2,133.00
2024	533.25

Rental payments under operating leases for the year 2020 were \$2,133.00.

Note 11: CAPITAL DEBT

General Improvement Bonds

General Improvement Bonds, Series 2012 - On August 15, 2012, the Township issued \$6,335,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 4.0%. The bonds are callable on and after July 1, 2023. The purpose of the bonds is to fund various capital ordinances. The final maturity of the bonds is July 1, 2028.

General Improvement Bonds, Series 2020 - On July 15, 2020, the Township issued \$2,465,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 3.0%. The bonds are callable on and after July 15, 2027. The purpose of the bonds is to fund various capital ordinances. The final maturity of the bonds is July 15, 2033.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 530,000.00	\$ 172,603.61	\$ 702,603.61
2022	590,000.00	159,000.00	749,000.00
2023	600,000.00	137,050.00	737,050.00
2024	595,000.00	119,050.00	714,050.00
2025	600,000.00	99,075.00	699,075.00
2026-2030	2,255,000.00	217,825.00	2,472,825.00
2031-2033	<u>665,000.00</u>	<u>26,700.00</u>	<u>691,700.00</u>
Totals	<u>\$ 5,835,000.00</u>	<u>\$ 931,303.61</u>	<u>\$ 6,766,303.61</u>

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>			
General:			
Bonds and Notes	\$ 7,830,000.00	\$ 7,391,360.00	\$ 6,837,759.00
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes			<u>153.00</u>
Net Debt	<u>\$ 7,830,000.00</u>	<u>\$ 7,391,360.00</u>	<u>\$ 6,837,912.00</u>

Note 13: RISK MANAGEMENT

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

Joint Insurance Pool - The Township is a member of the Garden State Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Property Coverage
 Equipment Breakdown Coverage
 Inland Marine Coverage
 Crime Coverage/Public Officials Bonds
 General Liability Coverage
 Automobile Coverage
 Law Enforcement Liability Coverage
 Workers Compensation Coverage
 Public Officials/Employment Practices Liability
 Non-Owned Aircraft Liability
 Cyber Liability
 Disaster Recovery

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Garden State Municipal Joint Insurance Fund
 900 Route 9 North, Suite 503
 Woodbridge, New Jersey 07095-1003

Note 14: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 3, 1998, and November 6, 2001 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Eastampton Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 1999, 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 the two referendums, the Township levies a tax not to exceed twenty-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 Eastampton Open Space, Recreation and Farmland Preservation Trust Funds. The tax levy authorization expired in 2019, but on June 24, 2019, the Township authorized that a binding referendum be submitted to the voters of the Township of Eastampton as to whether the Township Council should continue, for a period of no more than twenty years, to dedicate a portion of the local tax levy to fund the Township's Open Space Trust Fund. In the November 2019 general election, the voters approved the referendum.

Note 15: 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 16: 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 17: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Various Capital Improvements	04/26/21	\$ 494,000.00
Various Road Improvements	04/26/21	2,118,500.00

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 full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township’s financial condition, liquidity, and future results of operations. During the 2020 year, the Township did not receive the estimated amount of municipal court fines and costs, as well as several other local revenues related to fees, permits and licenses. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Township is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2021.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF EASTAMPTON
CURRENT FUND
Statement of Current Cash Per N.J.S.40A:5-5 - Chief Financial Officer
For the Year Ended December 31, 2020

	<u>Regular Fund</u>	<u>Federal, State and Local Grant Fund</u>
Balance Dec. 31, 2019	\$ 2,384,069.81	
Increased by Receipts:		
Tax Collector	\$ 14,662,482.66	
Revenue Accounts Receivable	1,358,549.77	
Miscellaneous Revenue not Anticipated	115,333.25	
Due State of New Jersey:		
Division of Youth and Family Services	775.00	
Department of Community Affairs	17,455.00	
Federal and State Grants Receivable		\$ 241,669.96
Petty Cash	1,200.00	
Due from Trust Other Fund	22,909.03	
Due Current Fund		149,527.65
Due General Capital Fund	722.83	
Reserve for Performance Bonds	265.55	
Due Municipal Open Space Fund	<u>4,100.00</u>	
	<u>16,183,793.09</u>	<u>\$ 391,197.61</u>
	18,567,862.90	391,197.61
Decreased by Disbursements:		
2020 Appropriations	5,194,568.37	
2019 Appropriation Reserves	159,309.83	
County Taxes Payable	1,986,408.03	
Due County - Added/Omitted Taxes	11,420.92	
Local District School Taxes Payable	5,742,626.50	
Regional District School Taxes Payable	2,046,044.52	
Fire District Taxes	300,569.75	
Due Mount Holly Municipal Utilities Authority	65,164.76	
Due State of New Jersey:		
Division of Youth and Family Services	975.00	
Department of Community Affairs	17,378.00	
Petty Cash	1,200.00	
Due Federal, State and Local Grant Fund	149,527.65	
Refund of Prior Year Revenue	400.00	
Due Municipal Open Space Fund	352,497.18	
Due General Capital Fund	237,466.40	209,639.21
Reserve for Performance Bonds	10,011.33	
Refund Tax Overpayments	26,125.18	
Appropriated Reserves	<u>181,558.40</u>	
	<u>16,301,693.42</u>	<u>391,197.61</u>
Balance Dec. 31, 2020	<u>\$ 2,266,169.48</u>	<u>\$ -</u>

TOWNSHIP OF EASTAMPTON
CURRENT FUND
 Statement of Current Cash Per N.J.S.40A:5-5 - Collector
 For the Year Ended December 31, 2020

Receipts:			
Taxes Receivable	\$ 14,420,931.26		
Tax Overpayments	43,068.00		
Tax Title Liens Receivable	8,351.03		
Due State of New Jersey - Seniors and Veterans	44,250.00		
Prepaid Taxes	145,882.37		
		\$ 14,662,482.66	
Decreased by:			
Disbursed to Chief Financial Officer		\$ 14,662,482.66	

Exhibit SA-3

CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2020

<u>Office</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Collector - Treasurer	\$ 100.00
Parks & Recreation	250.00
Police Department	50.00
Municipal Clerk	50.00
Animal Control	50.00
	\$ 500.00

Exhibit SA-4

CURRENT FUND
 Statement of Petty Cash Funds
 For the Year Ended December 31, 2020

<u>Office</u>	<u>Received from</u> <u>Treasurer</u>	<u>Disbursed to</u> <u>Treasurer</u>
Collector - Treasurer	\$ 150.00	\$ 150.00
Parks & Recreation	400.00	400.00
Police Department	650.00	650.00
	\$ 1,200.00	\$ 1,200.00

TOWNSHIP OF EASTAMPTON
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	2019 Collections	2020 Collections	Due from State of New Jersey	Overpayments Applied	Appeals/ Canceled	Transferred to Tax Overpayments	Transferred to Tax Title Liens	Balance Dec. 31, 2020
2015			\$ 2,802.09				\$ 2,802.09				
2016			27.80				27.80				
2017								\$ 4,031.14	\$ 4,031.14		
2018	\$ 4,871.81										\$ 4,871.81
2019	15,771.01				\$ 1,995.74	\$ 250.00	2,231.35	3,663.44			7,630.48
2020	20,642.82	\$ 14,742,266.58	2,829.89	\$ 108,263.16	14,418,935.52	250.00	5,061.24	7,694.58	4,031.14	\$ 40,795.05	12,502.29
						43,500.00		34,211.77			96,561.08
	<u>\$ 20,642.82</u>	<u>\$ 14,742,266.58</u>	<u>\$ 2,829.89</u>	<u>\$ 108,263.16</u>	<u>\$ 14,420,931.26</u>	<u>\$ 43,750.00</u>	<u>\$ 5,061.24</u>	<u>\$ 41,906.35</u>	<u>\$ 4,031.14</u>	<u>\$ 40,795.05</u>	<u>\$ 109,063.37</u>

Analysis of 2020 Tax Levy

Tax Yield

General Purpose Tax	\$ 14,353,944.43
Added Taxes (54:4-63.1 et seq.)	<u>388,322.15</u>

\$ 14,742,266.58

Tax Levy

Local District School Tax	\$ 5,808,253.00
Regional District School Tax	2,151,437.00
Fire District Tax	296,884.00
County Taxes:	
County Tax	\$ 1,731,724.36
County Library Tax	153,909.75
County Open Space	<u>100,773.92</u>
	1,986,408.03
Due County for Added Taxes	<u>53,992.42</u>
Total County Taxes	2,040,400.45
Municipal Open Space	224,806.05
Municipal Open Space - Added Taxes	<u>6,083.01</u>
	230,889.06
Local Tax for Municipal Purposes	3,880,829.10
Add: Additional Tax Levied	<u>333,573.97</u>
Local Tax for Municipal Purposes Levied	<u>4,214,403.07</u>

\$ 14,742,266.58

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

Balance Dec. 31, 2019		\$ 687,770.95
Increased by:		
Transferred from Taxes Receivable		<u>40,795.05</u>
		728,566.00
Decreased by:		
Receipts - Collector	\$ 8,351.03	
Canceled	<u>1,608.76</u>	
		<u>9,959.79</u>
Balance Dec. 31, 2020		<u><u>\$ 718,606.21</u></u>

Exhibit SA-7

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

Balance Dec. 31, 2019		\$ 108,263.16
Increased by:		
Receipts - Collector		<u>145,882.37</u>
		254,145.53
Decreased by:		
Application to Taxes Receivable		<u>108,263.16</u>
Balance Dec. 31, 2020		<u><u>\$ 145,882.37</u></u>

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

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Accrued in</u> <u>2020</u>	<u>Realized</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Clerk:				
Licenses:				
Alcoholic Beverages		\$ 10,000.00	\$ 10,000.00	
Municipal Court:				
Fines and Costs	\$ 8,024.93	66,295.71	71,794.50	\$ 2,526.14
Interest on Investments:				
Current		8,465.71	8,465.71	
Animal Control		39.16	39.16	
Trust Other		1,122.32	1,122.32	
Trust Other - Payroll		199.05	199.05	
General Capital		2,649.72	2,649.72	
Interest & Costs on Taxes		21,960.36	21,960.36	
Trailer Camp Licenses		4,960.00	4,960.00	
Housing Resale Certificate		29,450.00	29,450.00	
Payment in Lieu of Taxes-Pennrose		91,400.00	91,400.00	
Police Reports		1,665.00	1,665.00	
Hotel Fees		2,462.46	2,462.46	
Gasoline Reimbursement		1,494.36	1,494.36	
PILOT - Eastampton Place/Fieldstone		343,868.07	343,868.07	
Energy Receipts Tax		426,947.01	426,947.01	
Uniform Construction Code Fees		300,395.00	300,395.00	
School Resource Officer - Shared Services		22,500.00	22,500.00	
Verizon FiOS		7,384.91	7,384.91	
Cable Television		18,185.46	18,185.46	
Land Use Review Fee/Planning Board		1,550.00	1,550.00	
	<u>\$ 8,024.93</u>	<u>\$ 1,362,994.30</u>	<u>\$ 1,368,493.09</u>	<u>\$ 2,526.14</u>
Receipts			\$ 1,358,549.77	
Due Trust Other Fund			<u>9,943.32</u>	
			<u>\$ 1,368,493.09</u>	

TOWNSHIP OF EASTAMPTON
CURRENT FUND
Statement of Fire District Taxes
For the Year Ended December 31, 2020

Balance Dec. 31, 2019 (Payable)		\$ 3,658.75
Increased by:		
2020 Tax Levy		<u>296,884.00</u>
		300,542.75
Decreased by:		
Payments		<u>300,569.75</u>
Balance Dec. 31, 2020 (Receivable)		<u><u>\$ 27.00</u></u>

Exhibit SA-10

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

Balance Dec. 31, 2019			\$ 33,117.73
Increased by:			
Transferred from Taxes Receivable	\$ 4,031.14		
Receipts - Collector	<u>43,068.00</u>		
			<u>47,099.14</u>
			80,216.87
Decreased by:			
Refunded	26,125.18		
Applied to Taxes Receivable	<u>5,061.24</u>		
			<u>31,186.42</u>
Balance Dec. 31, 2020			<u><u>\$ 49,030.45</u></u>

TOWNSHIP OF EASTAMPTON
CURRENT FUND
 Statement of Due Municipal Open Space Trust Fund
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 352,497.18
Increased by:		
2020 Tax Levy:		
Municipal Open Space Tax	\$ 224,806.05	
Municipal Open Space Tax - Added Taxes	<u>6,083.01</u>	
		\$ 230,889.06
Receipts		<u>4,100.00</u>
		<u>234,989.06</u>
		587,486.24
Decreased by:		
Disbursements		<u>352,497.18</u>
Balance Dec. 31, 2020		<u><u>\$ 234,989.06</u></u>

CURRENT FUND
 Statement of Due Mount Holly Municipal Utility Authority
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 65,164.76
Decreased by:		
Disbursements		<u>\$ 65,164.76</u>

TOWNSHIP OF EASTAMPTON
CURRENT FUND
Statement of Reserve for Performance Bonds
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 116,336.61
Increased by:		
Receipts		<u>265.55</u>
		116,602.16
Decreased by:		
Disbursements		<u>10,011.33</u>
Balance Dec. 31, 2020		<u><u>\$ 106,590.83</u></u>

Exhibit SA-14

CURRENT FUND
Statement of Due State of New Jersey Veteran's and Senior Citizens' Deductions
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 21,406.00
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 3,250.00	
Veterans	<u>40,000.00</u>	
		\$ 43,250.00
Deductions Allowed by Tax Collector:		
2020 Taxes	250.00	
2019 Taxes	<u>1,000.00</u>	
		<u>1,250.00</u>
		44,500.00
Less: Deductions Disallowed by Tax Collector - 2020 Taxes		<u>(750.00)</u>
		<u>43,750.00</u>
		65,156.00
Decreased by:		
Receipts - Collector		<u>44,250.00</u>
Balance Dec. 31, 2020		<u><u>\$ 20,906.00</u></u>

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

	Balance Dec. 31, 2019		Budget After Modification	Disbursed	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
General Government					
General Administrative:					
Salaries and Wages		\$ 76.77	\$ 76.77		\$ 76.77
Other Expenses	\$ 382.91	2.10	1,015.01	\$ 201.96	813.05
Information Technology	1,600.00	1,993.87	3,593.87		3,593.87
Mayor & Council:					
Salaries and Wages		4.26	4.26		4.26
Other Expenses	44.98	7.39	52.37	17.99	34.38
Municipal Clerk:					
Salaries and Wages		33.13	33.13		33.13
Other Expenses	4,208.44	4,728.23	8,936.67	2,207.73	6,728.94
Elections		863.29	863.29		863.29
Codification of Ordinances		178.77	1,278.77	1,195.00	83.77
Financial Administration:					
Salaries and Wages		0.58	0.58		0.58
Other Expenses	11,127.52	3,642.35	15,519.87	13,629.39	1,890.48
Assessment of Taxes:					
Salaries and Wages		658.51	658.51		658.51
Other Expenses	384.45	243.36	627.81		627.81
Collection of Taxes:					
Salaries and Wages		242.85	242.85		242.85
Other Expenses	425.20	195.51	920.71	445.68	475.03
Legal Services & Costs:					
Other Expenses		18,077.91	16,927.91	7,929.40	8,998.51
Audit Services					
Other Expenses	1,000.35	3.95	1,004.30		1,004.30
Architect					
		2,500.00	2,500.00		2,500.00
Engineering Services:					
Other Expenses		1,410.21	1,410.21	700.00	710.21
Municipal Land Use Law - (N.J.S. 40:55D-1):					
Planning Board					
Salaries and Wages		0.51	0.51		0.51
Other Expenses		475.00	475.00		475.00
Engineering Services & Costs		1,000.00	1,000.00		1,000.00
Legal Services & Costs		5,398.67	5,398.67		5,398.67
Municipal Planner		6,877.00	6,877.00		6,877.00
Insurance:					
Unemployment Insurance		1,368.23	1,368.23		1,368.23
Other Insurance Premiums		51.00	51.00		51.00
General Liability		6,497.80	6,497.80		6,497.80
Employee Group Insurance		31,430.88	31,430.88	4,173.70	27,257.18
Health Benefit Waiver		16,000.00	16,000.00		16,000.00
Cafeteria Plan		100.00	100.00		100.00
Economic Development		5,000.00	5,000.00		5,000.00
Environmental Commission - (NJS40:5A-1 et seq):					
Other Expenses		610.32	610.32		610.32
Public Safety					
Police:					
Salaries and Wages		33,133.57	33,133.57		33,133.57
Other Expenses	17,660.39	34,063.99	51,724.38	14,957.26	36,767.12
Office of Emergency Management:					
Salaries and Wages		2,500.00	2,500.00		2,500.00
Other Expenses		267.52	267.52		267.52

(Continued)

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

	<u>Balance Dec. 31, 2019</u>		<u>Budget After</u> <u>Modification</u>	<u>Disbursed</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
<u>Public Works Functions:</u>					
Other Public Works Functions:					
Salaries and Wages		\$ 36,512.89	\$ 21,862.89		\$ 21,862.89
Other Expenses	\$ 3,753.32	6,342.83	10,096.15	\$ 4,358.82	5,737.33
Vehicle Maintenance:					
Other Expenses	124.95	3,876.69	4,001.64	3,335.49	666.15
Building & Grounds:					
Salaries and Wages		1,142.00	1,142.00		1,142.00
Other Expenses	372.13	5,863.47	4,505.60	1,197.63	3,307.97
Animal Control Services:					
Salaries and Wages		750.02	750.02		750.02
Other Expenses		750.00	750.00		750.00
<u>Parks and Recreation Functions:</u>					
Recreation Services & Programs:					
Salaries and Wages		711.32	711.32		711.32
Other Expenses		25.17	25.17		25.17
<u>Utility Expenses & Bulk Purchases:</u>					
Electricity		6,538.20	29,738.20	29,653.57	84.63
Street Lighting		17,360.52	8,560.52	74.52	8,486.00
Telephone		8,536.86	8,536.86	3,433.11	5,103.75
Fuel Oil	1,583.29	1,408.30	4,491.59	4,481.71	9.88
Gasoline	1,233.29	9,203.69	10,436.98	3,621.97	6,815.01
Sewer		1,067.07	1,067.07	244.31	822.76
Water		4,412.55	3,212.55	916.63	2,295.92
<u>Landfill Waste Disposal:</u>					
Disposal Costs		13,340.40	13,390.40	13,363.78	26.62
<u>Uniform Construction Code Enforcement Functions:</u>					
Construction Official:					
Salaries and Wages		970.28	970.28		970.28
Other Expenses	34,139.00	9,661.14	43,800.14	33,614.00	10,186.14
<u>Other Common Operating Functions (Unclassified):</u>					
Celebration of Public Events		676.70	676.70		676.70
<u>Statutory Expenditures:</u>					
Social Security System (O.A.S.I.)		5,145.64	5,145.64		5,145.64
Defined Contribution Retirement Program		172.68	172.68		172.68
<u>Operations Excluded from "CAPS"</u>					
Recycling Tax		5,800.00	5,800.00		5,800.00
Tax Assessor Interlocal Services Agreement					
MACCS Interlocal Services Agreement		11,518.18	11,518.18	11,518.18	
School Resource Officer Shared Services Agreement		46.00	46.00		46.00
Brine Solution - Medford Township		1,500.00	1,500.00		1,500.00
Supplemental Fire Services		2,000.00	2,000.00	1,838.00	162.00
Matching Funds for Grants		2,500.00	2,500.00	2,200.00	300.00
Municipal Court		625.00	625.00		625.00
Totals	\$ 78,040.22	\$ 338,095.13	\$ 416,135.35	\$ 159,309.83	\$ 256,825.52

TOWNSHIP OF EASTAMPTON
CURRENT FUND
Statement of Due State of New Jersey Department of Community Affairs
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	5,135.00
Increased by:		
Fees Collected		17,455.00
		22,590.00
Decreased by:		
Payments		17,378.00
Balance Dec. 31, 2020	\$	5,212.00

CURRENT FUND
Statement of Due State of New Jersey Division of Youth and Family Services
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	200.00
Increased by:		
Fees Collected		775.00
		975.00
Decreased by:		
Payments	\$	975.00

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

2020 Tax Levy:		
County Tax	\$ 1,731,724.36	
County Library Tax	153,909.75	
County Open Space Tax	<u>100,773.92</u>	
		\$ 1,986,408.03
Decreased by:		
Payments		<u><u>\$ 1,986,408.03</u></u>

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

Balance Dec. 31, 2019		\$ 11,420.92
Increased by:		
2019 Omitted/Added Taxes	\$ 1,540.50	
2019 Added Taxes	3,809.19	
2020 Added Taxes	<u>48,642.73</u>	
		<u>53,992.42</u>
		65,413.34
Decreased by:		
Payments		<u>11,420.92</u>
Balance Dec. 31, 2020		<u><u>\$ 53,992.42</u></u>

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

Balance Dec. 31, 2019 (Deferred)	\$ 2,838,500.00
Increased by:	
Levy - School Year July 1, 2020 - June 30, 2021	5,808,253.00
	8,646,753.00
Decreased by:	
Payments	5,742,626.50
Balance Dec. 31, 2020 (Deferred)	\$ 2,904,126.50

CURRENT FUND
 Statement of Regional High School Tax
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019 (Deferred)	\$ 970,325.94
Increased by:	
Levy - School Year July 1, 2020 - June 30, 2021	2,151,437.00
	3,121,762.94
Decreased by:	
Payments	2,046,044.52
Balance Dec. 31, 2020 (Deferred)	\$ 1,075,718.42

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

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Federal Grant:				
Community Development Block Grant	\$ 2,018.00			\$ 2,018.00
N.J. Department of Transportation:				
2016 Safe Route to School	429,000.00		\$ 22,069.37	406,930.63
Powell Rd I	1,848.60			1,848.60
Powell Rd II	9,503.00			9,503.00
Total Federal Grants	442,369.60	-	22,069.37	420,300.23
State Grants:				
N.J. Transportation Trust Fund Authority Act:				
W. Railroad Ave.	200,634.00		105,729.53	94,904.47
Oxmead Rd.	109,654.00			109,654.00
2016 Woodland Rd. Sidewalk Improvement	72,254.00		42,062.85	30,191.15
Woodcrest		\$ 225,000.00		225,000.00
Clean Communities Grant	187.94	11,676.23	11,676.23	187.94
Drunk Driving Enforcement Grant	0.02			0.02
Body Armor Replacement Fund		1,926.89	1,926.89	
Total State Grants	382,729.96	238,603.12	161,395.50	459,937.58
Local Grants:				
Municipal Park Development Grant - 2014	38.58			38.58
Burlington County Park Grant - Cliver/Buttonwood	58,205.09		58,205.09	
Burlington County Park Grant - Veterans Park		200,000.00		200,000.00
Walmart Donation	2,000.00			2,000.00
Total Local Grants	60,243.67	200,000.00	58,205.09	202,038.58
Grand Total	\$ 885,343.23	\$ 438,603.12	\$ 241,669.96	\$ 1,082,276.39

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

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Budget Appropriation</u>	<u>Decreased</u>	<u>Encumbrances Canceled</u>	<u>Balance Dec. 31, 2020</u>
Federal Grants:					
Community Development Block Grant	\$ 3,879.00				\$ 3,879.00
Emergency Management Grant	405.00				405.00
Office Highway Safety - DWI	425.00				425.00
N.J. Department of Transportation:					
Monmouth Rd	3,040.54				3,040.54
Powell Rd I	7,897.50		\$ 5,890.50		2,007.00
Powell Rd II	17,381.75				17,381.75
2016 Safe Route to School	<u>176,606.28</u>		<u>121,047.17</u>		<u>55,559.11</u>
Total Federal Grants	<u>209,635.07</u>	<u>-</u>	<u>126,937.67</u>	<u>-</u>	<u>82,697.40</u>
State Grants:					
N.J. Transportation Trust Fund Authority Act:					
2016 Woodlane Rd Sidewalk Impr.	29,885.60		4,103.73		25,781.87
W. Railroad Ave.	200,634.00		146,782.58		53,851.42
Smithville Rd.		\$ 225,000.00	225,000.00		
Clean Communities Grant-2018	7,040.77		954.69		6,086.08
Clean Communities Grant-2019	12,949.68		1,490.00		11,459.68
Clean Communities Grant-2020		11,676.23			11,676.23
Drunk Driving Enforcement Grant-2018	4,794.77		1,715.00	\$ 179.00	3,258.77
Drunk Driving Enforcement Grant-2019	2,969.20				2,969.20
Alcohol Education and Rehabilitation Grant	1,059.47				1,059.47
Body Armor Replacement Fund-2019	1,066.92				1,066.92
Body Armor Replacement Fund-2020		1,926.89			1,926.89
Recycling Tonnage Grant	5,945.53	7,105.53			13,051.06
Municipal Alliance	<u>5,300.00</u>				<u>5,300.00</u>
Total State Grants	<u>271,645.94</u>	<u>245,708.65</u>	<u>380,046.00</u>	<u>179.00</u>	<u>137,487.59</u>
Local Grants:					
Municipal Park Development Grant - 2014 Cliver Ph III	38.58		38.58		
Sustainable New Jersey	851.78				851.78
Burlington Co. Muni Park Development Prog-Cliver/Buttonwood	42,051.45		42,051.45		
Burlington County Park Improvement Grant - 2020 Vets Park		200,000.00	109,511.51		90,488.49
Dunkin Donuts Police Donation	<u>180.01</u>				<u>180.01</u>
Total Local Grants	<u>43,121.82</u>	<u>200,000.00</u>	<u>151,601.54</u>	<u>-</u>	<u>91,520.28</u>
	<u>\$ 524,402.83</u>	<u>\$ 445,708.65</u>	<u>\$ 658,585.21</u>	<u>\$ 179.00</u>	<u>\$ 311,705.27</u>
Budget Appropriations		\$ 234,032.42			
Appropriated by 40A:4-87		<u>211,676.23</u>			
		<u>\$ 445,708.65</u>			
Disbursed			\$ 181,558.40		
Encumbered			<u>477,026.81</u>		
			<u>\$ 658,585.21</u>		

TOWNSHIP OF EASTAMPTON
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 179.00
Increased by:	
Charged to Reserve for Federal, State and Local Grants - Appropriated	477,026.81
	477,205.81
Decreased by:	
Canceled to Reserve for Federal, State and Local Grants - Appropriated	179.00
Balance Dec. 31, 2020	\$ 477,026.81

Exhibit SA-25

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

Program	Balance Dec. 31, 2019	Grants Receivable	Realized as Miscellaneous Revenue in 2020 Budget
State Grants:			
Clean Communities Grant		\$ 11,676.23	\$ 11,676.23
Body Armor Replacement Fund		1,926.89	1,926.89
Recycling Tonnage Grant	\$ 7,105.53		7,105.53
NJ Department of Transportation Trust Fund Authority Act - Woodcrest		225,000.00	225,000.00
Total State Grants	7,105.53	238,603.12	245,708.65
Local Grants:			
Burlington County Municipal Park Grant		200,000.00	200,000.00
	\$ 7,105.53	\$ 438,603.12	\$ 445,708.65
Original Budget			\$ 234,032.42
Appropriated by 40A:4-87			211,676.23
			\$ 445,708.65

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

Balance Dec. 31, 2019	\$ 160,039.87
Increased by:	
Receipts from Current Fund	<u>149,527.65</u>
Balance Dec. 31, 2020	<u><u>\$ 309,567.52</u></u>

SUPPLEMENTAL EXHIBITS
TRUST FUND

TOWNSHIP OF EASTAMPTON
TRUST FUNDS
Statement of Trust Cash Per N.J.S.40A:5-5 - Treasurer
For the Year Ended December 31, 2020

	<u>Animal Control</u>	<u>Municipal Open Space</u>	<u>Other</u>
Balance Dec. 31, 2019	\$ 7,288.29	\$ 776,758.93	\$ 973,113.86
Increased by Receipts:			
Reserve for Animal Control Expenditures	\$ 2,706.00		
Prepaid Dog Licenses	10.00		
Due State of New Jersey	426.00		
Reserve for Municipal Open Space		\$ 3,610.71	
Net Payroll			\$ 1,704,883.35
Payroll Deductions			1,158,649.95
Reserve for Redemption of Tax Title Liens			303,876.16
Reserve for Parks and Recreation Building			2,095.00
Reserve for Special Law Enforcement			18.37
Reserve for Off Duty Police			83,250.00
Reserve for Escrow Deposits			12,037.66
Reserve for Developer Escrow			135,759.56
Reserve for COAH			427,283.54
Reserve for Accumulated Absences			45,000.00
Due Current Fund - Payroll			459.77
Due Current Fund	<u>39.16</u>	<u>352,497.18</u>	<u>9,943.32</u>
	<u>3,181.16</u>	<u>356,107.89</u>	<u>3,883,256.68</u>
Carried Forward	10,469.45	1,132,866.82	4,856,370.54

(Continued)

TOWNSHIP OF EASTAMPTON
TRUST FUNDS
Statement of Trust Cash Per N.J.S.40A:5-5 - Treasurer
For the Year Ended December 31, 2020

	<u>Animal Control</u>	<u>Municipal Open Space</u>	<u>Other</u>
Brought Forward	\$ 10,469.45	\$ 1,132,866.82	\$ 4,856,370.54
Decreased by Disbursements:			
Reserve for Animal Control Expenditures	\$ 541.00		
Due State of New Jersey	426.00		
Reserve for Municipal Open Space - Budget		\$ 622,563.67	
Net Payroll			\$ 1,704,883.35
Payroll Deduction Payable			1,178,259.32
Reserve for Redemption of Tax Title Liens			244,523.41
Reserve for Parks and Recreation Building			9,050.31
Reserve for Off Duty Police			80,265.00
Reserve for Escrow Deposits			8,230.65
Reserve for Developer Escrow			203,519.16
Reserve for Tax Sale Premiums			157,500.00
Reserve for COAH			47,538.76
Reserve for RCASA			600.00
Due Current Fund	<u>39.16</u>	<u>4,100.00</u>	
	<u>1,006.16</u>	<u>626,663.67</u>	<u>3,634,369.96</u>
Balance Dec. 31, 2020	<u>\$ 9,463.29</u>	<u>\$ 506,203.15</u>	<u>\$ 1,222,000.58</u>
Trust - Other			\$ 1,198,513.87
Trust - Payroll			<u>23,486.71</u>
			<u>\$ 1,222,000.58</u>

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

Balance Dec. 31, 2019		\$	7,051.40
Increased by:			
Receipts:			
Dog License Fees Collected			2,706.00
			9,757.40
Decreased by:			
Disbursed:			
Expenditures Under R.S.4:19-15.11	\$	541.00	
Statutory Excess Due Current Fund		2,013.20	
			2,554.20
Balance Dec. 31, 2020		\$	7,203.20

License Fees Collected

<u>Year</u>	<u>Amount</u>
2019	\$ 3,718.20
2018	3,485.00
	\$ 7,203.20

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

Receipts - Fees Collected		\$	426.00
Decreased by:			
Disbursements - Fees Remitted		\$	426.00

TOWNSHIP OF EASTAMPTON
ANIMAL CONTROL FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 236.89
Increased by:		
Receipts:		
Interest on Investments	\$ 39.16	
Statutory Excess Due Current Fund	<u>2,013.20</u>	
		<u>2,052.36</u>
		2,289.25
Decreased by:		
Disbursed		<u>39.16</u>
Balance Dec. 31, 2020		<u><u>\$ 2,250.09</u></u>

MUNICIPAL OPEN SPACE TRUST FUND
 Statement of Due from Current Fund
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		352,497.18
Increased by:		
Disbursed to Current Fund	\$ 4,100.00	
Amount to Be Raised by Taxation	<u>230,889.06</u>	
		<u>234,989.06</u>
		587,486.24
Decreased by:		
Receipts		<u>352,497.18</u>
Balance Dec. 31, 2020		<u><u>\$ 234,989.06</u></u>

TOWNSHIP OF EASTAMPTON
TRUST OTHER FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	21,615.98
Increased by:		
Payroll Deductions		1,158,649.95
		1,180,265.93
Decreased by:		
Disbursements		1,178,259.32
Balance Dec. 31, 2020	\$	2,006.61

Analysis of Balance Dec. 31, 2020

DCRP	\$	149.90
SUI and SDI		(48.23)
Public Employees' Retirement System		1,041.40
Police and Firemen's Retirement System		863.54
	\$	2,006.61

TOWNSHIP OF EASTAMPTON
TRUST OTHER FUND
Statement of Due Current Fund - Payroll
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 21,020.33
Increased by:	
Receipts	<u>459.77</u>
Balance Dec. 31, 2020	<u><u>\$ 21,480.10</u></u>

TOWNSHIP OF EASTAMPTON
TRUST OTHER FUND
Statement of Due Current Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 29,637.02
Increased by:	
Receipts	<u>9,943.32</u>
	39,580.34
Decreased by:	
Received by Current Fund on Behalf of Trust Other	<u>22,909.03</u>
Balance Dec. 31, 2020	<u><u>\$ 16,671.31</u></u>

TOWNSHIP OF EASTAMPTON
TRUST OTHER FUND
Statement of Trust Other Reserves
For the Year Ended December 31, 2020

<u>Reserve</u>	<u>Balance Dec. 31, 2019</u>	<u>Receipts</u>	<u>Due from Current Fund</u>	<u>Disbursed</u>	<u>Balance Dec. 31, 2020</u>
Reserve for Parks and Recreation	\$ 476.05				\$ 476.05
Reserve for Redemption of Tax Title Liens	15,764.20	\$ 303,876.16		\$ 244,523.41	75,116.95
Reserve for Storm Water Management	898.57				898.57
Reserve for Parks and Recreation Building	10,742.13	2,095.00		9,050.31	3,786.82
Reserve for Community Development Block Grant	8.54				8.54
Reserve for Special Law Enforcement Fund	4,341.69	18.37			4,360.06
Reserve for Off Duty Police	4,807.58	83,250.00		80,265.00	7,792.58
Reserve for Escrow Deposits	39,686.81	12,037.66		8,230.65	43,493.82
Reserve for Developer Escrow	185,529.44	135,759.56		203,519.16	117,769.84
Reserve for Tax Sale Premiums	221,200.00			157,500.00	63,700.00
Reserve for School Driveway	10.02				10.02
Reserve for COAH	419,265.50	427,283.54		47,538.76	799,010.28
Reserve for Accumulated Absences		45,000.00			45,000.00
Reserve for RCASA			\$ 22,909.03	600.00	22,309.03
	<u>\$ 902,730.53</u>	<u>\$ 1,009,320.29</u>	<u>\$ 22,909.03</u>	<u>\$ 751,227.29</u>	<u>\$ 1,183,732.56</u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND

Statement of General Capital Cash Per N.J.S.40A:5-5 - Chief Financial Officer
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$	712,610.51
Increased by Receipts:			
Due Current Fund	\$ 240,116.12		
Fund Balance - Premiums on Bonds and Notes	10,342.55		
Due from Federal and State Grant Fund	193,616.00		
Bond Anticipation Note Proceeds	4,561,360.00		
Bond Proceeds	2,566,000.00		
Budget Appropriation - Capital Improvement Fund	50,000.00		
			7,621,434.67
			8,334,045.18
Decreased by Disbursements:			
Improvement Authorizations	749,439.25		
Bond Anticipation Notes	6,177,720.00		
Due Current Fund	3,372.55		
			6,930,531.80
Balance Dec. 31, 2020		\$	1,403,513.38

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

	Balance (Deficit) <u>Dec. 31, 2019</u>	Receipts			Disbursements			Transfers		Balance (Deficit) <u>Dec. 31, 2020</u>
		Bond Anticipation Notes	Bonds	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Reserve for Encumbrances	\$ 538,609.17							\$ 538,609.17	\$ 573,057.87	\$ 573,057.87
Due from Current Fund	(237,466.40)			\$ 240,116.12			\$ 3,372.55			(722.83)
Due Federal and State Grant Fund	(193,616.00)			193,616.00					16,023.21	16,023.21
Fund Balance	1,618.50			10,342.55						11,961.05
Capital Improvement Fund	83.00			50,000.00				50,000.00		83.00
Improvement Authorizations:										
1995-05 Purchase of Computer and Other	2.00				\$ 2.00					
2006-06 Various Capital Equipment	68.00				83.84				15.84	
2007-13 Installation of Sidewalk on Student Drive	1,085.00				1,085.00					
2008-12 Various Capital Improvements & Equipment	60.95				60.95					
2010-15 Road Improvements & Other		\$ 51,936.00	\$ 51,576.00			\$ 103,512.00				
2011-08 Various Improvements or Purpose		115,159.00	115,159.00			230,318.00				
2012-09 Various Capital Improvements		138,068.00	138,068.00		9,362.99	276,136.00			9,362.99	
2013-03 DPW Garage & Public Safety Building Improvements		87,514.00	87,514.00			175,028.00				
2014-03 Various Capital Improvements		275,573.00	275,573.00		7,881.86	551,146.00			37,686.26	29,804.40
2015-05 Various Capital Improvements	926.45	292,610.00	292,610.00		566.45	585,580.00			890.08	890.08
2016-09 Various Capital Improvements		446,500.00	446,500.00			893,000.00			27.14	27.14
2017-05 Various Capital Improvements	65,444.38	684,000.00	684,000.00			1,368,000.00			4,378.82	69,823.20
2018-09 Various Capital Improvements	196,925.49	475,000.00	475,000.00		15,394.49	950,000.00		23,693.21	19,755.00	177,592.79
2019-11 Various Capital Improvements	338,869.97	1,045,000.00			602,063.71	1,045,000.00		66,407.34	466,493.04	136,891.96
2020-06 Various Capital Improvements		950,000.00			112,937.96			498,980.53	50,000.00	388,081.51
	<u>\$ 712,610.51</u>	<u>\$ 4,561,360.00</u>	<u>\$ 2,566,000.00</u>	<u>\$ 494,074.67</u>	<u>\$ 749,439.25</u>	<u>\$ 6,177,720.00</u>	<u>\$ 3,372.55</u>	<u>\$ 1,177,690.25</u>	<u>\$ 1,177,690.25</u>	<u>\$ 1,403,513.38</u>

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

Balance Dec. 31, 2019		\$ 3,780,000.00
Increased by:		
General Obligation Bonds Issued		<u>2,566,000.00</u>
		6,346,000.00
Decreased by:		
Funded by Resizing of Debt	\$ 101,000.00	
Budget Appropriations to Pay Bonds	<u>410,000.00</u>	
		<u>511,000.00</u>
Balance Dec. 31, 2020		<u><u>\$ 5,835,000.00</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Canceled	Transferred to Deferred Charges Future Taxation - Funded	Balance Dec. 31, 2020	Analysis of Balance Dec. 31, 2020		
							Bond Anticipation Notes	Unexpended Improvement Authorizations	
2010-15	Road Improvements & Other	\$ 51,936.00		\$ 360.00	\$ 51,576.00				
2011-08	Various Capital Improvements	115,159.00			115,159.00				
2012-09	Various Capital Improvements	138,068.00			138,068.00				
2013-03	DPW Garage & Public Safety Building Improvements	87,514.00			87,514.00				
2014-03	Various Capital Improvements	275,573.00			275,573.00				
2015-05	Various Capital Improvements	292,610.00			292,610.00				
2016-09	Various Capital Improvements	446,500.00			446,500.00				
2017-05	Various Capital Improvements	684,000.00			684,000.00				
2018-09	Various Capital Improvements	475,000.00			475,000.00				
2019-11	Various Capital Improvements	1,045,000.00				\$ 1,045,000.00	\$ 1,045,000.00		
2020-06	Various Capital Improvements		\$ 950,000.00			950,000.00	950,000.00		
		<u>\$ 3,611,360.00</u>	<u>\$ 950,000.00</u>	<u>\$ 360.00</u>	<u>\$ 2,566,000.00</u>	<u>\$ 1,995,000.00</u>	<u>\$ 1,995,000.00</u>	<u>\$ -</u>	
Balance of Unexpended Improvement Authorizations									\$ 524,973.47
Less Unexpended Proceeds of Bond Anticipation Notes:									
Ordinance Numbers:									
2019-11								\$ 136,891.96	
2020-06								<u>388,081.51</u>	
									<u>\$ 524,973.47</u>

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

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2019		2020 Authorizations	Authorizations Canceled	Encumbrances Canceled	Paid or Charged	Balance Dec. 31, 2020	
				Funded	Unfunded					Funded	Unfunded
1995-05	Purchase of Computer and Other	06-22-95	\$ 132,500.00	\$ 2.00					\$ 2.00		
2006-06	Various Capital Equipment	06-12-06	851,000.00	68.00				\$ 15.84	83.84		
2007-13	Installation of Sidewalk on Student Drive	12-10-07	76,000.00	1,085.00					1,085.00		
2008-12	Various Capital Improvements & Equipment	10-24-08	162,100.00	60.95					60.95		
2012-09	Various Capital Improvements	07-30-12	324,000.00					9,362.99	9,362.99		
2014-03	Various Capital Improvements	07-21-14	403,320.00					37,686.26	7,881.86	\$ 29,804.40	
2015-05	Various Capital Improvements	07-21-14	370,000.00		\$ 926.45		\$ 360.00	890.08	566.45	890.08	
2016-09	Various Capital Improvements	07-11-16	470,000.00					27.14		27.14	
2017-05	Various Capital Improvements	03-27-17	720,000.00		65,444.38			4,378.82		69,823.20	
2018-09	Various Capital Improvements	06-25-18	500,000.00		196,925.49			19,755.00	39,087.70	177,592.79	
2019-11	Various Capital Improvements	05-28-19	1,045,000.00		338,869.97			466,493.04	668,471.05		\$ 136,891.96
2020-06	Various Capital Improvements	06-22-20	1,000,000.00			\$ 1,000,000.00			611,918.49		388,081.51
				<u>\$ 1,215.95</u>	<u>\$ 602,166.29</u>	<u>\$ 1,000,000.00</u>	<u>\$ 360.00</u>	<u>\$ 538,609.17</u>	<u>\$ 1,338,520.33</u>	<u>\$ 278,137.61</u>	<u>\$ 524,973.47</u>
Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund						\$ 950,000.00			\$ 749,439.25	Disbursed	
						50,000.00			16,023.21	Due Federal & State Grant Fund	
									573,057.87	Encumbrances	
						<u>\$ 1,000,000.00</u>			<u>\$ 1,338,520.33</u>		

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

Balance Dec. 31, 2019		\$ 237,466.40
Increased by:		
Disbursed		<u>3,372.55</u>
		240,838.95
Decreased by:		
Receipts:		
Interest Earned - Revenue Accounts Receivable	\$ 2,649.72	
Received from Current Fund	<u>237,466.40</u>	
		<u>240,116.12</u>
Balance Dec. 31, 2020		<u><u>\$ 722.83</u></u>

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

Balance Dec. 31, 2019		\$ 538,609.17
Increased by:		
Charges to Improvement Authorizations		<u>573,057.87</u>
		1,111,667.04
Decreased by:		
Canceled to Improvement Authorizations		<u>538,609.17</u>
Balance Dec. 31, 2020		<u><u>\$ 573,057.87</u></u>

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

Balance Dec. 31, 2019	\$ 83.00
Increased by:	
Receipts - Budget Appropriation	<u>50,000.00</u>
	50,083.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>50,000.00</u>
Balance Dec. 31, 2020	<u><u>\$ 83.00</u></u>

TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND
Statement of Due Federal and State Grant Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019 (Due from)		\$ 193,616.00
Decreased by:		
Receipts	\$ 193,616.00	
Disbursed by Federal and State Grant Fund	<u>16,023.21</u>	
		<u>209,639.21</u>
Balance Dec. 31, 2020 (Due to)		<u><u>\$ 16,023.21</u></u>

TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2020

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Dec. 31, 2020		Interest Rate	Balance Dec. 31, 2019	Issued for Cash	Funded by Resizing of Debt	Paid By Budget Appropriation	Balance Dec. 31, 2020	
			Date	Amount							
General Improvement Bonds (callable on and after 07-01-23)	08-15-12	\$ 6,335,000.00	07-01-21	\$ 415,000.00	3.13%						
			07-01-22	425,000.00	3.13%						
			07-01-23	430,000.00	3.13%						
			07-01-24	425,000.00	3.13%						
			07-01-25	425,000.00	3.13%						
			07-01-26	420,000.00	3.25%						
			07-01-27	415,000.00	3.35%						
			07-01-28	415,000.00	4.00%	\$ 3,780,000.00				\$ 410,000.00	\$ 3,370,000.00
			General Improvement Bonds (callable on and after 07-15-28)	07-15-20	\$ 2,465,000.00	07-01-21	115,000.00	3.00%			
07-01-22	165,000.00	3.00%									
07-01-23	170,000.00	3.00%									
07-01-24	170,000.00	3.00%									
07-01-25	175,000.00	3.00%									
07-01-26	180,000.00	3.00%									
07-01-27	190,000.00	2.00%									
07-01-28	205,000.00	2.00%									
07-01-29	215,000.00	2.00%									
07-01-30	215,000.00	2.00%									
07-01-31	220,000.00	2.00%									
07-01-32	220,000.00	2.00%									
07-01-33	225,000.00	2.00%									
										\$ 2,566,000.00	\$ 101,000.00
							<u>\$ 3,780,000.00</u>	<u>\$ 2,566,000.00</u>	<u>\$ 101,000.00</u>	<u>\$ 410,000.00</u>	<u>\$ 5,835,000.00</u>
Paid by Current Fund Budget Appropriation									\$ 29,151.00		
Paid by Open Space Trust Fund Budget Appropriation									380,849.00		
									<u>\$ 410,000.00</u>		

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

Ordinance Number	Improvement Description	Date of Original Note Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
2010-15	Road Improvements & Other	09-30-10	01-23-19	01-23-20	2.34%	\$ 51,936.00		\$ 51,936.00	
2010-15	Road Improvements & Other	09-30-10	02-20-20	07-30-20	1.50%		\$ 51,936.00	51,936.00	
2011-08	Various Capital Improvements	10-10-11	01-23-19	01-23-20	2.34%	115,159.00		115,159.00	
2011-08	Various Capital Improvements	10-10-11	02-20-20	07-30-20	1.50%		115,159.00	115,159.00	
2012-09	Various Capital Improvements	10-10-12	01-23-19	01-23-20	2.34%	138,068.00		138,068.00	
2012-09	Various Capital Improvements	10-10-12	02-20-20	07-30-20	1.50%		138,068.00	138,068.00	
2013-03	DPW Garage & Public Safety Building Improvements	07-18-13	01-23-19	01-23-20	2.34%	87,514.00		87,514.00	
2013-03	DPW Garage & Public Safety Building Improvements	07-18-13	02-20-20	07-30-20	1.50%		87,514.00	87,514.00	
2014-03	Various Capital Improvements	11-06-14	01-23-19	01-23-20	2.34%	275,573.00		275,573.00	
2014-03	Various Capital Improvements	11-06-14	02-20-20	07-30-20	1.50%		275,573.00	275,573.00	
2015-05	Various Capital Improvements	09-15-15	01-23-19	01-23-20	2.34%	292,610.00		292,610.00	
2015-05	Various Capital Improvements	09-15-15	02-20-20	07-30-20	1.50%		292,610.00	292,610.00	
2016-09	Various Capital Improvements	08-19-16	01-23-19	01-23-20	2.34%	446,500.00		446,500.00	
2016-09	Various Capital Improvements	08-19-16	02-20-20	07-30-20	1.50%		446,500.00	446,500.00	
2017-05	Various Capital Improvements	05-23-17	01-23-19	01-23-20	2.34%	684,000.00		684,000.00	
2017-05	Various Capital Improvements	05-23-17	02-20-20	07-30-20	1.50%		684,000.00	684,000.00	
2018-02	Various Capital Improvements	08-16-18	01-23-19	01-23-20	2.34%	475,000.00		475,000.00	
2018-02	Various Capital Improvements	08-16-18	02-20-20	07-30-20	1.50%		475,000.00	475,000.00	
2019-11	Various Capital Improvements	07-31-19	07-31-19	07-31-20	1.82%	1,045,000.00		1,045,000.00	
2019-11	Various Capital Improvements	07-31-19	07-29-20	07-29-21	0.75%		1,045,000.00		\$ 1,045,000.00
2020-06	Various Capital Improvements	09-01-20	09-01-20	07-29-21	1.50%		950,000.00		950,000.00
						<u>\$ 3,611,360.00</u>	<u>\$ 4,561,360.00</u>	<u>\$ 6,177,720.00</u>	<u>\$ 1,995,000.00</u>
Renewals							\$ 3,611,360.00	\$ 3,611,360.00	
Paid by Bond Funds								2,566,000.00	
Paid by Capital Cash								360.00	
Issued for Cash							<u>950,000.00</u>		
						<u>\$ 4,561,360.00</u>	<u>\$ 6,177,720.00</u>		

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>2020 Authorizations</u>	<u>Notes Paid From Bond Funds</u>	<u>Notes Issued</u>	<u>Bonds Issued</u>	<u>Paid by Capital Cash</u>
2010-15	Road Improvements & Other		\$ 51,936.00		\$ 51,576.00	\$ 360.00
2011-08	Various Capital Improvements		115,159.00		115,159.00	
2012-09	Various Capital Improvements		138,068.00		138,068.00	
2013-03	DPW Garage & Public Safety Building Improvements		87,514.00		87,514.00	
2014-03	Various Capital Improvements		275,573.00		275,573.00	
2015-05	Various Capital Improvements		292,610.00		292,610.00	
2016-09	Various Capital Improvements		446,500.00		446,500.00	
2017-05	Various Capital Improvements		684,000.00		684,000.00	
2018-02	Various Capital Improvements		475,000.00		475,000.00	
2020-06	Various Capital Improvements	\$ 950,000.00		\$ 950,000.00		
		<u>\$ 950,000.00</u>	<u>\$ 2,566,360.00</u>	<u>\$ 950,000.00</u>	<u>\$ 2,566,000.00</u>	<u>\$ 360.00</u>

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

TOWNSHIP OF EASTAMPTON
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.

Finding No. 2020-001

Criteria or Specific Requirement

New Jersey Department of Community Affairs' Local Finance Notice CFO 2000-14 identifies proper procedures to be implemented to legally pay off-duty police officers in a timely manner.

Condition

The Township has not properly implemented procedures recommended by Local Finance Notice CFO 2000-14 regarding outside employment of off-duty municipal police officers.

Context

The Township utilizes a "contra" accounting method to record payments, and subsequent reimbursements, for outside employment of its police officers. Under this method, when revenues are received by the Township from users of police services, the revenues serve as reimbursements to the salary account in the current fund budget from which the officers are paid.

Effect or Potential Effect

The current practices of the Township are contrary to the procedures established by New Jersey Department of Community Affairs. As a result, there is a possibility that if funds are not collected the Township would absorb any potential shortfall.

Cause

Oversight by the responsible officials.

Recommendation

That the Township properly implement procedures recommended by Local Finance Notice CFO 2000-14 regarding outside employment of off-duty municipal police officers.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF EASTAMPTON
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

Finding No. 2019-001

Condition

The Township did not process several payroll withholding obligations in accordance with guidelines established by ordinance or statutes.

Current Status

This condition has been resolved.

Finding No. 2019-002

Condition

The Township has not properly implemented procedures recommended by Local Finance Notice CFO 2000-14 regarding outside employment of off-duty municipal police officers.

Current Status

This condition continues to exist. See finding number 2020-001.

Planned Corrective Action

The responsible officials will address this matter as part of their corrective action plan.

FEDERAL AWARDS

Not Applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

Not Applicable.

TOWNSHIP OF EASTAMPTON
 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>
Robert Apgar	Mayor	\$ 1,000,000.00
Dominic Santillo	Deputy Mayor	1,000,000.00
Jay Springer	Council Member	1,000,000.00
Anthony Zeno	Council Member	1,000,000.00
Eddie Besko	Council Member	1,000,000.00
Kim-Marie White	Township Clerk and Township Manager	1,000,000.00
John Barrett	Chief Financial Officer	1,000,000.00
Kijona Thompson	Tax Collector, Tax Search Officer and Deputy Township Clerk	1,000,000.00
Corey Ahart	Municipal Court Judge	
Susan Graubart	Court Administrator	
Albert Marmero	Solicitor	
Stacey Arcari	Township Engineer	

Coverage listed above is obtained through the Garden State Municipal Joint Insurance Fund.

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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 that reads "Robert S. Marrone". The signature is written in a cursive style with a large initial 'R'.

Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant