

TOWNSHIP OF CINNAMINSON
COUNTY OF BURLINGTON

REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2020



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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Cinnaminson
Cinnaminson, New Jersey 08077

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 Cinnaminson, 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 Cinnaminson, 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 Cinnaminson, in the County of Burlington, State of New Jersey, as of December 31, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2020, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Other Matters

Other Information

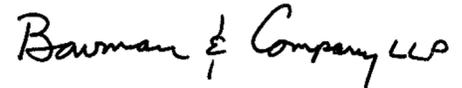
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2021 on our consideration of the Township of Cinnaminson, 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 Cinnaminson'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 Cinnaminson's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
June 24, 2021

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Cinnaminson
Cinnaminson, New Jersey 08077

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 Cinnaminson, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 24, 2021. That report indicated that the Township of Cinnaminson'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 Cinnaminson'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 Cinnaminson's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Cinnaminson's internal control.

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

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

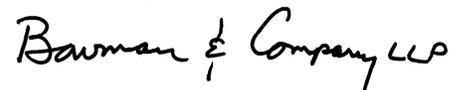
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
June 24, 2021

TOWNSHIP OF CINNAMINSON
CURRENT FUND

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Cash--Treasurer	SA-1	\$ 15,059,667.66	\$ 13,890,499.77
Change Funds	SA-2	100.00	100.00
		<u>15,059,767.66</u>	<u>13,890,599.77</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	573,461.13	588,729.24
Tax Title Liens Receivable	SA-5	143,591.63	190,244.93
Property Acquired for Taxes (Assessed Valuation)	A	1,144,900.00	1,144,900.00
Revenue Accounts Receivable	SA-6	5,668.77	13,234.80
Interlocal Agreement--Borough of Riverton Municipal Court	SA-17	53,846.99	89,153.84
Due from Animal Control Fund	SB-3	7,496.31	
Due from Trust Other Fund	SB-5	50,616.08	
Due from Federal and State Grant Fund	SA-18	28,323.53	30,782.78
		<u>2,007,904.44</u>	<u>2,057,045.59</u>
		<u>17,067,672.10</u>	<u>15,947,645.36</u>
Federal and State Grant Fund:			
Cash	SA-1	491,537.42	344,359.63
Federal and State Grants Receivable	SA-19	399,702.39	309,670.10
		<u>891,239.81</u>	<u>654,029.73</u>
		<u>\$ 17,958,911.91</u>	<u>\$ 16,601,675.09</u>

(Continued)

TOWNSHIP OF CINNAMINSON
CURRENT FUND

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-7	\$ 1,580,506.14	\$1,181,898.35
Reserve for Encumbrances	A-3;SA-7	93,390.25	115,592.29
Accounts Payable	SA-1,SA-7	72,637.46	57,358.20
Prepaid Taxes	SA-8	565,306.45	506,771.91
Reserve for Master Plan	A	5,952.00	5,952.00
Reserve for Codification of Ordinances	A	110.89	110.89
Reserve for Revaluation	A	49,412.07	49,412.07
Reserve for Tax Appeals	A	100,000.00	100,000.00
Due to State of New Jersey:			
Veterans and Senior Citizens' Deductions	SA-10	47,921.88	46,765.36
State Training Fees	SA-15	7,380.00	4,671.00
Marriage Licenses	SA-16	350.00	550.00
Due County for Added and Omitted Taxes	SA-13	34,016.02	31,008.70
Fire District Taxes Payable	SA-1,SA-4	4.04	4.04
Local District School Taxes Payable	SA-14	2,986,774.06	2,598,784.06
Due to Trust Other Fund	SB-5		3,966.94
Due to Open Space Fund	SA-11		5,783.33
Due to Sewer Authority	A	5,071.35	5,071.35
		<u>5,548,832.61</u>	<u>4,713,700.49</u>
Reserve for Receivables and Other Assets	A	2,007,904.44	2,057,045.59
Fund Balance	A-1	<u>9,510,935.05</u>	<u>9,176,899.28</u>
		<u>17,067,672.10</u>	<u>15,947,645.36</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-18	28,323.53	30,782.78
Reserve for Encumbrances	SA-20	4,894.04	47.29
Reserve for Federal and State Grants:			
Unappropriated	SA-21		22,838.81
Appropriated	SA-20	<u>858,022.24</u>	<u>600,360.85</u>
		<u>891,239.81</u>	<u>654,029.73</u>
		<u>\$ 17,958,911.91</u>	<u>\$ 16,601,675.09</u>

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

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

	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 2,060,000.00	\$ 1,530,000.00
Miscellaneous Revenue Anticipated	4,016,279.06	4,180,399.05
Receipts from Delinquent Taxes	541,530.75	421,539.44
Receipts from Current Taxes	57,188,299.25	56,131,159.89
Non-Budget Revenue	240,443.12	431,625.08
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,048,180.35	1,268,477.28
Other	8,314.09	
Reserves Liquidated:		
Due from Federal and State Grant Fund	2,459.25	2,534.25
Due from Trust Other Fund		31,943.66
	<hr/>	<hr/>
Total Income	<u>65,105,505.87</u>	<u>63,997,678.65</u>
<u>Expenditures</u>		
Budget Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	5,767,902.00	5,563,184.00
Other Expenses	6,019,895.00	5,876,712.00
Deferred Charges and Statutory Expenditures Within "CAPS"	1,343,714.00	1,243,784.00
Operations--Excluded from "CAPS":		
Salaries and Wages	73,758.05	69,397.50
Other Expenses	209,068.82	138,413.65
Capital Improvements--Excluded from "CAPS"	345,000.00	370,000.00
Municipal Debt Service --Excluded from "CAPS"	1,280,573.28	1,367,978.49
County Taxes	7,169,585.45	7,053,022.63
Due County for Added and Omitted Taxes	34,016.02	31,008.70
Local District School Taxes	36,843,156.00	36,058,962.00
Municipal Open Space Tax	274,999.39	273,881.96
Fire District Tax	3,286,486.00	3,215,965.00
Senior Citizens' Deductions Disallowed by Collector--Prior Year Taxes	5,163.70	2,359.59
Tax ACH Clearing Account		100.00
Other	40.00	3,412.54
Reserves Created:		
Due from Animal Control Fund	7,496.31	
Due from Trust Other Fund	50,616.08	
	<hr/>	<hr/>
Total Expenditures	<u>62,711,470.10</u>	<u>61,268,182.06</u>
Statutory Excess to Fund Balance	2,394,035.77	2,729,496.59
<u>Fund Balance</u>		
Balance January 1	<u>9,176,899.28</u>	<u>7,977,402.69</u>
	11,570,935.05	10,706,899.28
Decreased by:		
Utilization as Anticipated Revenue	<u>2,060,000.00</u>	<u>1,530,000.00</u>
Balance December 31	<u>\$ 9,510,935.05</u>	<u>\$ 9,176,899.28</u>

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

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

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S.40A:4-87</u>		
Surplus Anticipated	\$ 2,060,000.00		\$ 2,060,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	15,000.00		17,500.00	\$ 2,500.00
Other	15,000.00		13,853.00	(1,147.00)
Fees and Permits	50,000.00		55,803.30	5,803.30
Fines and Costs:				
Municipal Court	195,000.00		134,868.81	(60,131.19)
Interest on Costs and Taxes	100,000.00		142,162.05	42,162.05
Hotel Tax	63,000.00		59,380.20	(3,619.80)
Cable TV Franchise Fee	59,000.00		59,238.21	238.21
Cellular Tower Lease	45,000.00		61,938.00	16,938.00
PILOT--New Plan Retail Center	300,000.00		353,945.02	53,945.02
Rent Town Hall (Sewer Authority and Fire District)	50,000.00		49,705.00	(295.00)
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	1,915,320.00		1,915,320.01	0.01
Garden State Preservation Trust Fund	8,368.00		5,425.00	(2,943.00)
Dedicated Uniform Construction Code Fees Offset with Appropriations				
Uniform Construction Code Fees	250,000.00		346,677.00	96,677.00
Public and Private Revenues Off-Set with Appropriations:				
Municipal Alliance on Alcoholism and Drug Abuse	10,137.00		10,137.00	
Recycling Tonnage	22,838.81		22,838.81	
Drive Sober or Get Pulled Over		\$ 4,950.00	4,950.00	
Body Armor Grant	2,850.17		2,850.17	
Clean Communities Program		32,791.19	32,791.19	
Alcohol Education and Rehabilitation Fund		4,334.40	4,334.40	
Park Development and Improvement Grant		75,000.00	75,000.00	
NJ DOT- North Pompass Avenue		245,000.00	245,000.00	
Drunk Driving Grant		13,408.05	13,408.05	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Gov't Services--Other Special Items:				
Interlocal Agreement- Borough of Riverton Municipal Court	85,000.00		89,153.84	4,153.84
Reserve for Payment of Debt	300,000.00		300,000.00	
	<u>3,486,513.98</u>	<u>375,483.64</u>	<u>4,016,279.06</u>	<u>154,281.44</u>
Receipts from Delinquent Taxes	<u>400,000.00</u>		<u>541,530.75</u>	<u>141,530.75</u>
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>9,920,732.91</u>		<u>10,782,031.05</u>	<u>861,298.14</u>
Budget Totals	<u>15,867,246.89</u>	<u>375,483.64</u>	<u>17,399,840.86</u>	<u>1,157,110.33</u>
Non-Budget Revenues			<u>240,443.12</u>	<u>240,443.12</u>
	<u>\$ 15,867,246.89</u>	<u>\$ 375,483.64</u>	<u>\$ 17,640,283.98</u>	<u>\$ 1,397,553.45</u>

(Continued)

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

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenues from Collections	\$ 57,188,299.25
Allocated to:	
School, County, Special (Fire) District and Local Open Space Taxes	47,608,242.86
	9,580,056.39
Increased by:	
Appropriation "Reserve for Uncollected Taxes"	1,201,974.66
Amount for Support of Municipal Budget Appropriations	\$ 10,782,031.05
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 496,569.30
Tax Title Liens	44,961.45
	\$ 541,530.75

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:	
Photo Copy Fees	\$ 298.35
Police Admin Fees:	
NJ DMV Inspection Fees	608.63
Off Duty Police Administration Fees	19,592.00
Administration Fees - Towing	1,400.00
Department of Public Works:	
Property Maintenance	18,677.91
Mulch Delivery Sales	600.00
Miscellaneous	5,150.89
Ball Field Rentals	2,200.00
Recreation Program Fees	315.00
Senior Citizens and Veterans Deductions Administrative Fee	3,180.55
Bail Forfeitures	1,157.00
Interest of Investments and Deposits	81,804.22
Leaf Disposal - Borough of Riverton	14,000.00
Sale of Assets - GovDeals	35,304.00
School District Reimbursements	15,300.00
Rents	5,745.00
Animal Control Fund - Statutory Excess	7,496.31
Miscellaneous PILOTS	11,360.04
Miscellaneous	16,253.22
	\$ 240,443.12
Receipts	
Due from Federal and State Grant Fund - Miscellaneous Receipted Collected on-Behalf of	\$ 223,739.62
Due from Animal Control Fund - Statutory Excess Animal Control Funds	75.00
Due from Trust Other Funds - Interest on Investments and Deposits	7,496.31
Escrow Trust Fund	7,023.69
Payroll Trust Fund	2,108.50
	\$ 240,443.12

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

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

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>General Government</u>						
Administration						
Salaries and Wages	\$ 165,000.00	\$ 169,900.00	\$ 169,815.28		\$ 84.72	
Other Expenses	13,000.00	13,000.00	9,409.58	\$ 553.00	3,037.42	
Committee						
Salaries and Wages	21,650.00	21,650.00	21,225.00		425.00	
Other Expenses	6,500.00	6,500.00	1,158.25	810.00	4,531.75	
Municipal Clerk						
Salaries and Wages	74,000.00	74,000.00	68,620.96		5,379.04	
Other Expenses	26,750.00	26,750.00	19,792.16		6,957.84	
Finance						
Salaries and Wages	178,000.00	179,000.00	178,641.08		358.92	
Other Expenses	28,000.00	28,000.00	10,804.96		17,195.04	
Audit - Other Expenses	40,000.00	40,000.00	40,000.00			
Information Technology						
Other Expenses	125,000.00	125,000.00	96,019.20		28,980.80	
Tax Collection						
Salaries and Wages	97,000.00	87,000.00	82,529.04		4,470.96	
Other Expenses	16,500.00	26,500.00	9,104.56	13.08	17,382.36	
Tax Assessor						
Salaries and Wages	32,270.00	32,270.00	32,266.57		3.43	
Other Expenses	20,050.00	20,050.00	7,729.18		12,320.82	
Legal						
Other Expenses	260,000.00	260,000.00	243,112.53	58.05	16,829.42	
Engineering						
Other Expenses	50,000.00	50,000.00	18,485.00	2,000.00	29,515.00	
<u>Land Use Administration</u>						
Planning Board						
Salaries and Wages	25,811.00	25,811.00	25,568.93		242.07	
Other Expenses	14,750.00	14,750.00	11,665.28	928	2,156.72	
Zoning Officer						
Salaries and Wages	41,204.00	43,704.00	40,196.14		3,507.86	
Other Expenses	22,100.00	22,100.00	9,593.21		12,506.79	

(Continued)

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

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Land Use Administration (Cont'd)</u>						
Code Enforcement Officer						
Salaries and Wages	\$ 48,000.00	\$ 49,000.00	\$ 48,854.64		\$ 145.36	
Other Expenses	1,300.00	1,300.00	1.00		1,299.00	
<u>Insurance</u>						
General Liability Insurance	229,784.00	229,784.00	229,784.00			
Workers Compensation	319,731.00	319,731.00	319,730.00		1.00	
Group Health Insurance	1,606,000.00	1,606,000.00	1,319,734.36		286,265.64	
Health Benefit Waivers	55,000.00	55,000.00	41,115.83		13,884.17	
<u>Public Safety</u>						
Police						
Salaries and Wages	3,236,029.00	3,166,029.00	2,868,751.83		297,277.17	
Other Expenses	366,250.00	426,250.00	368,045.11	\$ 22,003.84	36,201.05	
Emergency Management						
Salaries and Wages	6,100.00	6,100.00	6,090.49		9.51	
Other Expenses	3,500.00	3,500.00	1,995.00		1,505.00	
Municipal Prosecutor						
Other Expenses	21,000.00	23,000.00	22,993.80		6.20	
Municipal Court						
Salaries and Wages	166,000.00	166,000.00	145,645.91		20,354.09	
Other Expenses	40,050.00	40,050.00	15,692.85		24,357.15	
Streets and Roads						
Salaries and Wages	909,203.00	909,203.00	869,555.56		39,647.44	
Other Expenses	191,750.00	126,750.00	54,191.33	14,078.80	58,479.87	
Sanitation						
Other Expenses	1,226,500.00	1,291,500.00	1,185,353.07	3,776.00	102,370.93	
Buildings and Grounds						
Other Expenses--Twp Buildings	91,900.00	91,900.00	56,978.15	3,588.62	31,333.23	
Other Expenses--County Library	25,000.00	25,000.00	2,747.03		22,252.97	
Motor Vehicle Maintenance						
Salaries and Wages	310,194.00	310,194.00	249,476.39		60,717.61	
Other Expenses	143,330.00	143,330.00	70,756.38	28,876.06	43,697.56	

(Continued)

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

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Public Safety (Cont'd)</u>						
Municipal Services Reimbursement						
Other Expenses	\$ 70,000.00	\$ 70,000.00	\$ 35,859.38		\$ 34,140.62	
<u>Parks, Recreation and Community Services</u>						
<u>Animal Control</u>						
Salaries and Wages	657.00	657.00	644.00		13.00	
Other Expenses	19,000.00	19,000.00	9,178.50	\$ 4,500.00	5,321.50	
<u>Parks and Recreation Programs Administration</u>						
Salaries and Wages	15,000.00	15,000.00	7,446.10		7,553.90	
Other Expenses	36,000.00	24,600.00	12,258.64		12,341.36	
<u>Maintenance of Parks and Playgrounds</u>						
Salaries and Wages	366,643.00	366,643.00	355,367.17		11,275.83	
Other Expenses	74,400.00	74,400.00	51,219.17	11,846.34	11,334.49	
<u>Community Development</u>						
Salaries and Wages	18,000.00	18,000.00	17,734.54		265.46	
<u>Utility Expenses and Bulk Purchases</u>						
Electricity	202,100.00	192,100.00	109,258.24	69.27	82,772.49	
Street Lighting	270,000.00	280,000.00	256,485.35		23,514.65	
Telephone	59,500.00	59,500.00	50,850.29		8,649.71	
Water	21,000.00	21,000.00	16,289.78	289.19	4,421.03	
Gas	40,800.00	40,800.00	46.78		40,753.22	
Gasoline and Diesel Fuel	117,000.00	117,000.00	73,305.68		43,694.32	
<u>Other</u>						
Accumulated Absences	15,000.00	15,000.00	15,000.00			
<u>Uniform Construction Code - Appropriations</u>						
<u>Offset by Dedicated Revenues (N.J.A.C. 5:23-4-17)</u>						
Salaries and Wages	127,741.00	127,741.00	122,827.32		4,913.68	
Other Expenses	90,750.00	90,750.00	50,207.46		40,542.54	
Total Operations--Within "CAPS"	11,797,797.00	11,787,797.00	10,157,208.04	93,390.25	1,537,198.71	-
Detail:						
Salaries and Wages	5,838,502.00	5,767,902.00	5,311,256.95		456,645.05	
Other Expenses	5,959,295.00	6,019,895.00	4,845,951.09	93,390.25	1,080,553.66	

(Continued)

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

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>					
<u>Statutory Expenditures:</u>					
Contribution to:					
Public Employees' Retirement System	\$ 273,398.00	\$ 273,398.00	\$ 273,398.00		
Social Security System (O.A.S.I.)	250,000.00	260,000.00	255,690.22		\$ 4,309.78
Police and Firemen's Retirement System of N.J.	807,316.00	807,316.00	807,316.00		
Defined Contribution Retirement Program	3,000.00	3,000.00			3,000.00
Total Deferred Charges and Statutory Expenditures Municipal--Within "CAPS"	1,333,714.00	1,343,714.00	1,336,404.22	-	7,309.78
Total General Appropriations for Municipal Purposes Within "CAPS"	13,131,511.00	13,131,511.00	11,493,612.26	\$ 93,390.25	1,544,508.49
<u>OPERATIONS--EXCLUDED FROM "CAPS"</u>					
<u>Other Operations:</u>					
Recycling Tax (N.J.S.A. 13:1E-96.5)	25,000.00	25,000.00			25,000.00
Supplemental Fire Services	5,733.00	5,733.00	5,733.00		
Total Other Operations	30,733.00	30,733.00	5,733.00	-	25,000.00
<u>Shared Services Agreements</u>					
Borough of Riverton--Municipal Court					
Salaries and Wages	55,400.00	55,400.00	48,985.72		6,414.28
Other Expenses	7,850.00	7,850.00	3,366.63		4,483.37
Township of Moorestown--Assessor Assistant					
Other Expenses	20,000.00	20,000.00	19,900.00		100.00
Total Shared Services Agreements	83,250.00	83,250.00	72,252.35	-	10,997.65

(Continued)

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

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--EXCLUDED FROM "CAPS" (CONT'D)</u>						
<u>Public and Private Programs Off-Set by Revenues:</u>						
Municipal Alliance on Alcoholism and Drug Abuse	\$ 10,137.00	\$ 10,137.00	\$ 10,137.00			
Matching Grant	2,534.25	2,534.25	2,534.25			
Recycling Tonnage Grant	22,838.81	22,838.81	22,838.81			
Clean Communities Program (NJSA 40A:4-87)		32,791.19	32,791.19			
Alcohol Education and Rehabilitation Fund (N.J.S.A. 40A:4-87)		4,334.40	4,334.40			
Drive Sober or Get Pulled Over (NJSA 40A:4-87)		4,950.00	4,950.00			
Drunk Driving Grant (N.J.S.A. 40A:4-87)		13,408.05	13,408.05			
Park Development and Improvement Grant (N.J.S.A. 40A:4-87)		75,000.00	75,000.00			
Body Armor Grant	2,850.17	2,850.17	2,850.17			
	<u>38,360.23</u>	<u>168,843.87</u>	<u>168,843.87</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Off-Set by Revenues						
	<u>152,343.23</u>	<u>282,826.87</u>	<u>246,829.22</u>	<u>-</u>	<u>\$ 35,997.65</u>	<u>-</u>
Detail:						
Salaries and Wages	55,400.00	73,758.05	67,343.77		6,414.28	
Other Expenses	96,943.23	209,068.82	179,485.45		29,583.37	
<u>OPERATIONS--EXCLUDED FROM "CAPS" (CONT'D)</u>						
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>						
NJDOT - North Pompass Ave. (N.J.S.A. 40A:4-87)		245,000.00	245,000.00			
Capital Improvement Fund	100,000.00	100,000.00	100,000.00			
	<u>100,000.00</u>	<u>345,000.00</u>	<u>345,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"						
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	700,000.00	700,000.00	700,000.00			
Interest on Bonds	186,638.00	186,638.00	186,637.50			\$ 0.50
Interest on Notes	166,250.00	166,250.00	165,788.19			461.81
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	42,610.00	42,610.00	42,609.48			0.52
Burlington County Bridge Commission Loan Payable:						
Loan Interest	85,960.00	85,960.00	85,733.71			226.29

(Continued)

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

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS" (CONT'D)</u>						
Capital Lease Obligations:						
Principal	\$ 79,000.00	\$ 79,000.00	\$ 79,000.00			
Interest	20,960.00	20,960.00	20,804.40			\$ 155.60
Total Municipal Debt Service Excluded from "CAPS"	<u>1,281,418.00</u>	<u>1,281,418.00</u>	<u>1,280,573.28</u>	<u>-</u>	<u>-</u>	<u>844.72</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>1,533,761.23</u>	<u>1,909,244.87</u>	<u>1,872,402.50</u>	<u>-</u>	<u>\$ 35,997.65</u>	<u>844.72</u>
Subtotal General Appropriations	14,665,272.23	15,040,755.87	13,366,014.76	\$ 93,390.25	1,580,506.14	844.72
Reserve for Uncollected Taxes	<u>1,201,974.66</u>	<u>1,201,974.66</u>	<u>1,201,974.66</u>			
Total General Appropriations	<u>\$ 15,867,246.89</u>	<u>\$ 16,242,730.53</u>	<u>\$ 14,567,989.42</u>	<u>\$ 93,390.25</u>	<u>\$ 1,580,506.14</u>	<u>\$ 844.72</u>
Budget		\$ 15,867,246.89				
Appropriation by N.J.S. 40A:4-87		<u>375,483.64</u>				
		<u>\$ 16,242,730.53</u>				
Reserve for Federal and State Grants Appropriated			\$ 413,843.87			
Reserve for Uncollected Taxes			1,201,974.66			
Refunds of Current Year Appropriations			(645,341.61)			
Disbursed			<u>13,597,512.50</u>			
			<u>\$ 14,567,989.42</u>			

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

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Trust Fund:			
Cash	SB-1	\$ 24,541.91	\$ 17,782.51
Other Funds:			
Cash	SB-1	3,429,448.52	2,906,779.66
Due From Current Fund	SB-5		3,966.94
Resale of Commodities Receivable	SB-9	10,403.93	13,084.48
Off Duty Police Accounts Receivable	SB-8	39,743.50	14,912.50
		<u>3,479,595.95</u>	<u>2,938,743.58</u>
Municipal Open Space Fund:			
Cash	SB-1	290,328.44	229,545.72
Due from Current Fund	SB-1		5,783.33
		<u>290,328.44</u>	<u>235,329.05</u>
		<u>\$ 3,794,466.30</u>	<u>\$ 3,191,855.14</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Trust Fund			
Reserve for Cat Trap Deposits	SB-4	\$ 650.00	\$ 650.00
Reserve for Animal Control Fund Expenditures	SB-3	16,395.60	17,132.51
Due to Current Fund	SB-3	7,496.31	
		<u>24,541.91</u>	<u>17,782.51</u>
Other Funds:			
Due to Current Fund	SB-5	50,616.08	
Reserve for Escrow Deposits (Dormant)	B	269,274.88	269,274.88
Reserve for Payroll Deductions	SB-6	26,959.45	17,358.34
Reserve for Escrow and Bond Deposits	SB-6	1,665,150.92	1,490,774.18
Reserve for Housing Trust	SB-6	431,013.83	374,529.66
Reserve for Recycling Equipment	SB-6	20,350.16	20,350.16
Reserve for Storm Recovery	SB-6	60,557.31	60,849.51
Reserve for Special Law Enforcement	SB-6	10,022.72	27,371.58
Reserve for New Jersey Unemployment Compensation Insurance	SB-6	144,294.38	139,417.04
Reserve for Tax Sale Premiums	SB-6	644,100.00	333,700.00
Reserve for Tax Title Liens	SB-6	47,934.40	93,385.23
Reserve for Community Center Donations	SB-6	2,029.61	2,029.61
Reserve for Accumulated Absences	SB-6	94,999.87	94,999.87
Reserve for Police Donations	SB-6	6,825.82	6,397.73
Reserve for Public Defender	SB-6	1,269.25	3,313.65
Reserve for POAA	SB-6	673.13	1,468.00
Reserve for Recreational Field Usage	SB-6	3,524.14	3,524.14
		<u>3,479,595.95</u>	<u>2,938,743.58</u>
Municipal Open Space Fund:			
Reserve for Municipal Open Space Expenditures	SB-7	290,328.44	235,329.05
		<u>\$ 3,794,466.30</u>	<u>\$ 3,191,855.14</u>

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

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

	<u>2020</u>	<u>2019</u>
REVENUE REALIZED:		
Amount to be Raised by Taxation	\$ 274,999.39	\$ 273,881.96
Total Income	274,999.39	273,881.96
EXPENDITURES:		
Budget Appropriations:		
Interest on Bonds		12,550.00
Loan Principal	220,000.00	50,000.00
Loan Interest		98,740.00
Total Expenditures	220,000.00	161,290.00
Excess to Reserve	54,999.39	112,591.96
RESERVE FOR FUTURE USE:		
Balance January 1,	235,329.05	122,737.09
Balance December 31,	\$ 290,328.44	\$ 235,329.05

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

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

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 273,000.00	\$ 274,999.39	\$ 1,999.39
 <u>Analysis of Realized Revenues</u>			
Current Year Levy		\$ 273,702.00	
Added and Omitted Levy		<u>1,297.39</u>	
		<u>\$ 274,999.39</u>	

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

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

	<u>Appropriations</u>		<u>Expended</u>	<u>Unexpended</u>
	<u>Original</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Canceled</u>
Loan Principal	\$ 220,000.00	\$ 220,000.00	\$ 220,000.00	
Reserve for Future Use	53,000.00	53,000.00		\$ 53,000.00
	\$ 273,000.00	\$ 273,000.00	\$ 220,000.00	\$ 53,000.00

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

TOWNSHIP OF CINNAMINSON
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	\$ 3,957,620.00	\$ 2,346,867.75
Burlington County Bridge Commission Lease Program	C	4.62	4.62
Due from Burlington County -- Open Space Grant	C	103,000.00	103,000.00
Deferred Charges to Future Taxation -- Funded	SC-3	9,343,400.09	10,381,257.73
Deferred Charges to Future Taxation -- Unfunded	SC-4	17,031,938.00	15,572,928.00
		<u>\$ 30,435,962.71</u>	<u>\$ 28,404,058.10</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Improvement Authorizations:			
Funded	SC-5	\$ 2,110,701.43	\$ 2,121,852.08
Unfunded	SC-5	5,272,517.86	4,670,752.07
Reserve for Encumbrances	SC-6	264,802.52	386,573.74
General Serial Bonds	SC-7	6,845,000.00	7,545,000.00
Bond Anticipation Notes	SC-13	6,650,000.00	6,650,000.00
Burlington County Bridge Commission Loans Payable	SC-8	1,984,000.00	2,204,000.00
Burlington County Bridge Commission Lease Payable	SC-9	356,000.00	435,000.00
Green Acres Assistance Loan Payable	SC-10	158,400.09	197,257.73
Reserve for Accounts Receivable	C	4.62	4.62
Capital Improvement Fund	SC-11	95,758.00	72,548.00
Reserve for Payment of Debt Service	SC-12	6,492,874.33	3,931,171.22
Fund Balance	C-1	205,903.86	189,898.64
		<u>\$ 30,435,962.71</u>	<u>\$ 28,404,058.10</u>

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

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

Balance December 31, 2019	\$ 189,898.64
Increased by Receipts:	
Premiums Received on Sale of Bond Anticipation Notes	<u>16,005.22</u>
Balance December 31, 2020	<u><u>\$ 205,903.86</u></u>

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

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

	Balance <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2020</u>
General Fixed Assets:				
Land and Improvements	\$ 13,143,000.00	\$ 313,176.90	\$ 524,800.00	\$ 12,931,376.90
Buildings and Improvements	7,756,216.64	20,900.00		7,777,116.64
Vehicles	4,932,810.00	123,120.76		5,055,930.76
Machinery and Equipment	2,266,994.24	242,376.79		2,509,371.03
	<u>\$ 28,099,020.88</u>	<u>\$ 699,574.45</u>	<u>\$ 524,800.00</u>	<u>\$ 28,273,795.33</u>
Total General Fixed Assets	<u>\$ 28,099,020.88</u>	<u>\$ 699,574.45</u>	<u>\$ 524,800.00</u>	<u>\$ 28,273,795.33</u>
Total Investments in General Fixed Assets	<u>\$ 28,099,020.88</u>	<u>\$ 699,574.45</u>	<u>\$ 524,800.00</u>	<u>\$ 28,273,795.33</u>

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

TOWNSHIP OF CINNAMINSON
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 Cinnaminson was incorporated in March, 1860 and is located in southwest New Jersey approximately eight miles northeast of the City of Philadelphia. The population according to the 2010 census is 15,569.

The Township operates under a committee form of government. The Mayor is elected from and by the members of the Committee and serves a one-year term. The Committee is the executive and legislative body of the Township and its five members are elected at large to three year staggered terms. The Committee appoints a Township Administrator who is responsible for the daily operations of the Township and reports to the Committee.

Component Units - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Cinnaminson Sewerage Authority
P.O. Box 2100
Cinnaminson, New Jersey 08077

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

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 \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

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

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

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, the Township of Cinnaminson School District, and the Township of Cinnaminson 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 Cinnaminson School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2019 and decreased by the amount deferred at December 31, 2020.

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Cinnaminson 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 and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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

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

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 \$23,368,976.91 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 21,460,335.93
Uninsured and Uncollateralized	<u>1,908,640.98</u>
Total	<u>\$ 23,368,976.91</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 3.572</u>	<u>\$ 3.522</u>	<u>\$ 3.497</u>	<u>\$ 3.461</u>	<u>\$ 3.413</u>
Apportionment of Tax Rate:					
Municipal	\$.616	\$.616	\$.616	\$.616	\$.627
County	.446	.441	.449	.458	.455
Local School	2.288	2.247	2.221	2.182	2.133
Fire District	.205	.201	.194	.188	.181
Municipal Open Space	.017	.017	.017	.017	.017

Note 3: PROPERTY TAXES (CONT'D)

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

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 1,610,009,289.00
2019	1,604,056,490.00
2018	1,604,307,692.00
2017	1,603,681,183.00
2016	1,605,551,028.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 57,790,371.49	\$ 57,188,299.25	98.96%
2019	56,751,589.23	56,131,159.89	98.91%
2018	56,355,496.40	55,737,695.79	98.90%
2017	55,622,166.52	55,109,588.82	99.08%
2016	54,930,898.05	54,293,028.09	98.84%

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	\$ 143,591.63	\$ 573,461.13	\$ 717,052.76	1.24%
2019	190,244.93	588,729.24	778,974.17	1.37%
2018	162,995.02	491,312.73	654,307.75	1.16%
2017	138,676.34	428,381.20	567,057.54	1.02%
2016	98,349.04	555,984.30	654,333.34	1.19%

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	14
2019	16
2018	14
2017	15
2016	10

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2020	\$ 1,144,900.00
2019	1,144,900.00
2018	1,144,900.00
2017	1,144,900.00
2016	1,144,900.00

Note 5: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 9,510,935.05	\$ 2,302,500.00	24.21%
2019	9,176,899.28	2,060,000.00	22.45%
2018	7,977,402.69	1,530,000.00	19.18%
2017	6,222,251.45	1,200,000.00	19.29%
2016	5,653,254.76	1,250,000.00	22.11%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 86,435.92	
Federal and State Grant		28,323.53
Trust - Animal Control		7,496.31
Trust - Other		50,616.08
Totals	<u>\$ 86,435.92</u>	<u>\$ 86,435.92</u>

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

Note 7: PENSION PLANS

A substantial number of the Township's employees participate in 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. 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.

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.

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

Public Employees' Retirement System (Cont'd) - 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.

Contributions

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

The Township's contractually required contribution rate for the year ended December 31, 2020 was 15.01% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$314,176.00, 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 \$253,694.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$158,770.24.

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.

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 32.99% 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, 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 \$819,566.00, 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 \$743,268.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$249,797.50.

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 4.56% of the Township's covered payroll.

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

Police and Firemen's Retirement System (Cont'd) - 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 \$113,202.00, 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 \$95,806.00, which was paid on April 1, 2020.

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 \$4,683,387.00. 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 .0287194228%, which was an increase of .0026381457% 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 \$339,393.00. 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 \$253,694.00, 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	\$ 9,479,189.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	1,471,127.00
	<u>\$ 10,950,316.00</u>

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.

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

Pension Liability (Cont'd) - For the June 30, 2020 measurement date, the Township's proportion was .0733608469%, which was a decrease of .0002219868% 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 .0733608469%, which was a decrease of .0002219868% 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 \$673,603.00. 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 \$743,268.00, and was paid on April 1, 2020.

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 \$166,723.00. 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	\$ 85,277.00	\$ 95,566.00	\$ 180,843.00	\$ 16,562.00	\$ 34,020.00	\$ 50,582.00
Changes of Assumptions	151,934.00	23,854.00	175,788.00	1,960,978.00	2,541,314.00	4,502,292.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	160,082.00	555,809.00	715,891.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	1,090,088.00	786,646.00	1,876,734.00	76,296.00	142,612.00	218,908.00
Township Contributions Subsequent to the Measurement Date	157,088.00	409,783.00	566,871.00	-	-	-
	<u>\$ 1,644,469.00</u>	<u>\$ 1,871,658.00</u>	<u>\$ 3,516,127.00</u>	<u>\$ 2,053,836.00</u>	<u>\$ 2,717,946.00</u>	<u>\$ 4,771,782.00</u>

Deferred outflows of resources in the amounts of \$157,088.00 and \$409,783.00 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 7: **PENSION PLANS (CONT'D)**

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

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

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

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (328,419.00)	\$ (701,011.00)	\$ (1,029,430.00)
2022	(206,247.00)	(368,341.00)	(574,588.00)
2023	(30,930.00)	(116,601.00)	(147,531.00)
2024	7,503.00	14,587.00	22,090.00
2025	(8,362.00)	(84,705.00)	(93,067.00)
	<u>\$ (566,455.00)</u>	<u>\$ (1,256,071.00)</u>	<u>\$ (1,822,526.00)</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 7: 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 7: 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	\$ 5,895,603.00	\$ 4,683,387.00	\$ 3,654,788.00

Note 7: 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	\$ 12,605,370.00	\$ 9,479,189.00	\$ 6,882,657.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>1,956,296.00</u>	<u>1,471,127.00</u>	<u>1,068,157.00</u>
	<u>\$ 14,561,666.00</u>	<u>\$ 10,950,316.00</u>	<u>\$ 7,950,814.00</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 7: 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	0.0287194228%	0.0260812771%	0.0243057816%	0.0210188287%
Township's Proportionate Share of the Net Pension Liability	\$ 4,683,387.00	\$ 4,699,450.00	\$ 4,785,687.00	\$ 4,892,847.00
Township's Covered Payroll (Plan Measurement Period)	\$ 2,065,876.00	\$ 1,833,188.00	\$ 1,705,040.00	\$ 1,444,296.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	226.70%	256.35%	280.68%	338.77%
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	0.0207278209%	0.0244813556%	0.0241543527%	0.0229402370%
Township's Proportionate Share of the Net Pension Liability	\$ 6,138,986.00	\$ 5,495,574.00	\$ 4,522,355.00	\$ 4,384,335.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,434,784.00	\$ 1,713,952.00	\$ 1,695,276.00	\$ 1,589,232.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	427.87%	320.64%	266.76%	275.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 314,176.00	\$ 253,694.00	\$ 241,764.00	\$ 194,717.00
Township's Contribution in Relation to the Contractually Required Contribution	\$ (314,176.00)	\$ (253,694.00)	(241,764.00)	(194,717.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 2,093,614.00	\$ 1,981,268.00	\$ 1,870,576.00	\$ 1,745,244.00
Township's Contributions as a Percentage of Covered Payroll	15.01%	12.80%	12.92%	11.16%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 184,143.00	\$ 210,474.00	\$ 199,125.00	\$ 172,850.00
Township's Contribution in Relation to the Contractually Required Contribution	(184,143.00)	(210,474.00)	(199,125.00)	(172,850.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 1,464,941.00	\$ 1,484,158.00	\$ 1,603,214.00	\$ 1,686,809.00
Township's Contributions as a Percentage of Covered Payroll	12.57%	14.18%	12.42%	10.25%

Note 7: 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)***

	<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	0.0733608469%	0.0735828337%	0.0690056606%	0.0684771029%
Township's Proportionate Share of the Net Pension Liability	\$ 9,479,189.00	\$ 9,004,934.00	\$ 9,337,603.00	\$ 10,571,541.00
State's Proportionate Share of the Net Pension Liability associated with the Township	1,471,127.00	1,421,896.00	1,268,359.00	1,184,102.00
Total	\$ 10,950,316.00	\$ 10,426,830.00	\$ 10,605,962.00	\$ 11,755,643.00
Township's Covered Payroll (Plan Measurement Period)	\$ 2,482,092.00	\$ 2,537,552.00	\$ 2,288,936.00	\$ 2,216,584.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	381.90%	354.87%	407.95%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<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	0.0623151851%	0.0700908419%	0.0663268477%	0.0671097772%
Township's Proportionate Share of the Net Pension Liability	\$ 11,903,794.00	\$ 11,674,691.00	\$ 8,343,302.00	\$ 8,921,639.00
State's Proportionate Share of the Net Pension Liability associated with the Township	999,623.00	1,023,831.00	898,433.00	831,605.00
Total	\$ 12,903,417.00	\$ 12,698,522.00	\$ 9,241,735.00	\$ 9,753,244.00
Township's Covered Payroll (Plan Measurement Period)	\$ 2,025,400.00	\$ 2,219,648.00	\$ 2,028,324.00	\$ 2,106,128.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	587.73%	525.97%	411.34%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Note 7: 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	\$ 819,566.00	\$ 743,268.00	\$ 674,632.00	\$ 606,035.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(819,566.00)</u>	<u>(743,268.00)</u>	<u>(674,632.00)</u>	<u>(606,035.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,484,308.00	\$ 2,492,365.00	\$ 2,452,783.00	\$ 2,325,689.00
Township's Contributions as a Percentage of Covered Payroll	32.99%	29.82%	27.50%	26.06%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 508,081.00	\$ 569,734.00	\$ 509,436.00	\$ 489,618.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(508,081.00)</u>	<u>(569,734.00)</u>	<u>(509,436.00)</u>	<u>(489,618.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,219,084.00	\$ 2,104,572.00	\$ 2,205,292.00	\$ 2,064,046.00
Township's Contributions as a Percentage of Covered Payroll	22.90%	27.07%	23.10%	23.72%

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

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

Changes in Assumptions

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

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

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

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

The mortality assumption was updated upon direction from the DPB.

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%		

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

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

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

The mortality assumption was updated upon direction from the DPB.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

General Information about the OPEB Plan

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

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

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

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

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

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

Contributions (Cont'd) - The Township was billed monthly by the Plan and paid \$268,126.92, for the year ended December 31, 2019, representing 5.99% of the Township's covered payroll. During the year ended December 31, 2019, retirees were required to contribute \$5,762.04 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 \$95,819.00 for the year ended December 31, 2019 representing 2.14% 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	\$ 6,298,788.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township	<u>7,228,745.00</u>
	<u>\$ 13,527,533.00</u>

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 .046499% which was a decrease of .004677% from its proportion measured as of the June 30, 2018 measurement date.

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

OPEB Liability (Cont'd) - 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 .130820% which was an increase of .000612% 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 (\$316,269.00). 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 \$268,126.92.

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 \$95,819.00. 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	\$ -	\$ 1,842,011.00
Changes of Assumptions	-	2,232,150.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	5,188.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	112,901.00	1,657,196.00
Township Contributions Subsequent to the Measurement Date	<u>157,678.17</u>	<u>-</u>
	<u>\$ 275,767.17</u>	<u>\$ 5,731,357.00</u>

\$157,678.17 reported as deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2020.

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

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

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

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

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

Year Ending Dec. 31,		
2020	\$	(920,266.00)
2021		(920,266.00)
2022		(920,673.00)
2023		(921,331.00)
2024		(921,931.00)
Thereafter		<u>(1,008,801.00)</u>
	\$	<u>(5,613,268.00)</u>

Actuarial Assumptions

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

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

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

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

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

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

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

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

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

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

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

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

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 <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
Township's Proportionate Share of the Net OPEB Liability	\$ 7,283,001.00	\$ 6,298,788.00	\$ 5,498,985.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>8,358,268.00</u>	<u>7,228,745.00</u>	<u>6,310,858.00</u>
	<u>\$ 15,641,269.00</u>	<u>\$ 13,527,533.00</u>	<u>\$ 11,809,843.00</u>

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (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	\$ 5,315,401.00	\$ 6,298,788.00	\$ 7,553,264.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>6,100,170.00</u>	<u>7,228,745.00</u>	<u>8,668,432.00</u>
	<u>\$ 11,415,571.00</u>	<u>\$ 13,527,533.00</u>	<u>\$ 16,221,696.00</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>.

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	0.046499%	0.051176%	0.050516%
Township's Proportionate Share of the Net OPEB Liability	\$ 6,298,788.00	\$ 8,017,548.00	\$ 10,313,240.00
State's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>7,228,745.00</u>	<u>8,090,923.00</u>	<u>10,621,273.00</u>
Total	<u>\$ 13,527,533.00</u>	<u>\$ 16,108,471.00</u>	<u>\$ 20,934,513.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 4,444,625.00	\$ 4,282,379.00	\$ 3,867,166.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	141.72%	187.22%	266.69%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)*****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	\$ 268,126.92	\$ 416,743.06	\$ 420,425.67
Township's Contributions in Relation to the Required Contribution	(268,126.92)	(416,743.06)	(420,425.67)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 4,473,633.00	\$ 4,323,359.00	\$ 4,070,933.00
Township's Contributions as a Percentage of Covered Payroll	5.99%	9.64%	10.33%

Other Notes to Supplementary OPEB Information**Changes in Benefit Terms**

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

Changes in Assumptions

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

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

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

Note 9: COMPENSATED ABSENCES

The Township does not have a policy for compensating all employees for unused sick, vacation or personal leave days upon retirement. However, policies negotiated in the union contracts of the administration, public works and police departments exist. In addition, as an incentive to reward long-term employees who have accumulated sick time throughout their career with the Township, non-aligned employees with at least thirty (30) years of service with the Township are permitted to sell back up to five weeks (25 days) of accumulated sick leave upon retirement, but limited to \$15,000.00.

In accordance with the union negotiated contract of the Township's public works department, "an employee shall receive, upon retirement, lump sum payment up to ten thousand (\$10,000.00) dollars equal to 65% of the total number of accumulated sick days times \$80."

In accordance with Article XII, Paragraph E, of the Township of Cinnaminson's Police Association-Supervisors Unit" upon retirement, a regular full-time unit employee shall be entitled to a lump sum payment, up to a maximum of fifteen thousand dollars (\$15,000.00) for unused accumulated sick days." In accordance with Article XVIII, Paragraphs B & D, up to sixty (60) hours of unused vacation time may be carried over to the following calendar year, and all accrued and unused vacation time shall be paid upon severance, or retirement respectively.

In accordance with Article XII, Paragraph E, of the Township of Cinnaminson's Police Association – Police Officers Unit," upon retirement, a regular full-time unit employee shall be entitled to a lump sum payment, up to a maximum of fifteen thousand dollars (\$15,000.00) for unused accumulated sick days." In accordance with Article XVIII, Paragraphs B & D, up to sixty (60) hours of unused vacation time may be carried over to the following calendar year, and all accrued and unused vacation time shall be paid upon severance, or retirement respectively.

The Township does not record accrued expenses related to compensated absences, however, it is estimated that as of December 31, 2020, accrued benefits for compensated absences are valued at \$481,547.99.

Note 10: 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 11: LEASE OBLIGATIONS

Capital Leases - The Township has authorized participation in the Burlington County Bridge Commission's 2004 Governmental Leasing Program. Under this program, the Commission will acquire or construct certain equipment and improvements and lease these assets to the Township under capital lease agreements.

The Commission will finance this project through the issuance of County-Guaranteed Lease Revenue Bonds, Series 2004. Lease payments by the Township are based upon the principal and interest necessary to amortize debt service on the Series 2004 bonds. Payments by the Township are adjusted to reflect accrued interest earned on the balance of funds unused and held in trust by the Commission. The Township began utilizing the Program's funds during 2004 for various improvements and equipment authorizations. The Township utilized \$1,431,037.00 of the total available principal of \$1,468,000.00 and the remaining balance of \$36,963.00 was transferred to capital surplus during the year ended December 31, 2010. Principal and interest payments began in 2005. The following schedule represents the remaining debt service, through maturity, for the capital lease:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 83,000.00	\$ 17,800.00	\$ 100,800.00
2022	87,000.00	13,650.00	100,650.00
2023	91,000.00	9,300.00	100,300.00
2024	95,000.00	4,750.00	99,750.00
Total	<u>\$ 356,000.00</u>	<u>\$ 45,500.00</u>	<u>\$ 401,500.00</u>

Note 12: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2015 - On September 15, 2015, the Township issued \$9,345,000.00 of general improvement bonds, with interest rates ranging from 2.00% - 3.00%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is July 15, 2028. The following schedule represents the remaining debt service, through maturity, for the general improvement bond:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 750,000.00	\$ 172,637.50	\$ 922,637.50
2022	800,000.00	157,637.50	957,637.50
2023	825,000.00	141,637.50	966,637.50
2024	870,000.00	123,075.00	993,075.00
2025	900,000.00	103,500.00	1,003,500.00
2026-2028	2,700,000.00	162,000.00	2,862,000.00
Totals	<u>\$ 6,845,000.00</u>	<u>\$ 860,487.50</u>	<u>\$ 7,705,487.50</u>

Note 12: CAPITAL DEBT (CONT'D)**General Debt – Burlington County Bridge Commission Loans**

On March 28, 2017, the Township entered into a loan agreement with the Burlington County Bridge Commission for a loan payable, with an interest rates ranging from 3.00% - 4.00%. The Loan was issued for open space acquisition. The final maturity of the bonds is August 15, 2027. The following schedule represents the remaining debt service, through maturity, for the Burlington County Bridge Commission loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 236,000.00	\$ 79,360.00	\$ 315,360.00
2022	253,000.00	69,920.00	322,920.00
2023	261,000.00	59,800.00	320,800.00
2024	268,000.00	49,360.00	317,360.00
2025	307,000.00	38,640.00	345,640.00
2026-2027	<u>659,000.00</u>	<u>36,520.00</u>	<u>695,520.00</u>
Totals	<u>\$ 1,984,000.00</u>	<u>\$ 333,600.00</u>	<u>\$ 2,317,600.00</u>

General Debt - New Jersey Green Acres Loans

On March 17, 2002, the Township entered into a loan agreement, bearing an interest rate of 2.00%, with the New Jersey Department of Environmental Protection to provide \$335,000.00. Semiannual debt payments are due through 2021.

In addition, on July 31, 2008, the Township entered into a second loan agreement, bearing an interest rate of 2.00%, with the New Jersey Department of Environmental Protection to provide \$343,007.00. Semiannual debt payments are due through 2028.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 28,998.57	\$ 2,970.81	\$ 31,969.38
2022	18,834.94	2,494.33	21,329.27
2023	19,213.52	2,115.75	21,329.27
2024	19,599.71	1,729.55	21,329.26
2025	19,993.67	1,335.61	21,329.28
2026-2028	<u>51,759.68</u>	<u>1,563.11</u>	<u>53,322.79</u>
Totals	<u>\$ 158,400.09</u>	<u>\$ 12,209.16</u>	<u>\$ 170,609.25</u>

Note 12: CAPITAL DEBT (CONT'D)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 15,993,400.09	\$ 17,031,257.73	\$ 18,059,349.71
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	<u>10,381,938.00</u>	<u>8,922,928.00</u>	<u>6,813,928.00</u>
Total Issued and Authorized but not Issued	<u>26,375,338.09</u>	<u>25,954,185.73</u>	<u>24,873,277.71</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds	<u>6,492,874.33</u>	<u>3,931,171.22</u>	<u>3,703,602.92</u>
Net Debt	<u>\$ 19,882,463.76</u>	<u>\$ 22,023,014.51</u>	<u>\$ 21,169,674.79</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.099%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 33,975,000.00	\$ 33,975,000.00	
General	<u>26,375,338.09</u>	<u>6,492,874.33</u>	\$ 19,882,463.76
	<u>\$ 60,350,338.09</u>	<u>\$ 40,467,874.33</u>	<u>\$ 19,882,463.76</u>

Net debt \$19,882,463.76 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,809,823,352.67, equals 1.099%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 63,343,817.34
Less: Net Debt	<u>19,882,463.76</u>
Remaining Borrowing Power	<u>\$ 43,461,353.58</u>

Note 13: ARBITRAGE REBATE

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement or the issuing entity's year end.

The Township has the following bond issues outstanding that require a rebate calculation:

<u>Issue Date</u>	<u>Settlement Date</u>	<u>Amount</u>	<u>Liability</u>
9/15/2015	9/29/2015	\$ 9,345,000.00	(1)

- (1) The rebate calculations on these bonds are required to be made at least once every five years. However, the Township has not prepared the rebate calculation for purposes of determining any contingent liability for rebate. It is anticipated that when such calculation is made, the liability, if any, will be appropriated in that year's general budget.

Note 14: SCHOOL TAXES

The Township of Cinnaminson School District tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$ 17,404,944.06	\$ 17,016,954.06
Deferred	<u>14,418,170.00</u>	<u>14,418,170.00</u>
Taxes Payable	<u>\$ 2,986,774.06</u>	<u>\$ 2,598,784.06</u>

Note 15: 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.

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

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

<u>Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 10,468.64	\$ 5,591.30	\$ 144,294.38
2019		21,024.40	139,417.04
2018	6,719.22	1,825.69	160,441.44

Note 15: RISK MANAGEMENT (CONT'D)

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

Property
 Equipment Breakdown
 Inland Marine
 Crime / Public Officials Bonds
 General Liability
 Automobile
 Law Enforcement Liability
 Worker's Compensation
 Public Officials / Employment Practices Liability
 Non-Owned Aircraft Liability
 Cyber Liability
 Pollution Liability

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

The Fund publishes its own financial report for the year ended December 31, 2020, which can be obtained from:

Garden State Municipal Insurance Fund
 900 Rte. 9 North
 Suite 503
 Woodbridge, New Jersey 07095

Note 16: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 2, 2004, and November 1, 2005 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 Cinnaminson Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2005, 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 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 Cinnaminson Open Space, Recreation and Farmland Preservation Trust Funds.

Note 17: 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.

Note 17: CONTINGENCIES (CONT'D)

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 18: 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 19: COVID-19

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

The Township issued a COVID-19 Personnel Policy on March 16, 2020 which provided for alternatives to existing work arrangements including modified work schedules and work from home options for office employees. Although Township public buildings were closed to the public on March 16, 2020, employees continued to provide service via telephone, email and drop-boxes at each building. All Township public buildings were reopened on June 14, 2021.

Certain Township revenues did decline during 2020 as compared to 2019 such as municipal court and hotel tax.

During the year ended December 31, 2020, the Township was awarded the following by the Federal Government in response to the COVID-19 pandemic:

	<u>CFDA #</u>	<u>Funding Received</u>
Coronavirus Relief Fund (CRF):		
Passed Through NJ Department of Community Affairs:		
Local Government Emergency Fund	20.019	\$ 187,167.73

Note 20: 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		
Acquisition of Various Pieces of Equipment and the Completion of Various Capital Improvements	05/24/21	\$ 1,420,250.00

Note 20: SUBSEQUENT EVENTS (CONT'D)

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

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

The Township has been allocated \$1,710,493.52 in LFRF funding with half of it to be received before December 31, 2021 and the other half before December 31, 2022.

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

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

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

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

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

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

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2019	\$ 13,890,499.77	\$ 344,359.63
Increased by Receipts:		
Taxes Receivable	\$ 57,014,547.52	
Overpayments	40,607.13	
Tax Title Liens	44,961.45	
Prepaid Taxes	565,306.45	
Due from State of New Jersey--Senior Citizens' and Veterans' Deductions	159,027.65	
Revenue Accounts Receivable	3,604,969.44	
Miscellaneous Revenue not Anticipated	223,739.62	
Due to State of New Jersey - Marriage License Fees	1,875.00	
Due to State of New Jersey - DCA Fees	24,702.00	
Due to Trust Fund Other - Collected on Behalf of:		
Tax Title Liens	366,682.79	
Refunds of Current Year Appropriations	645,341.61	
Refunds of Appropriation Reserves	216.00	
Due Sewer Authority	65,401.94	
Petty Cash	100.00	
Federal and State Grants Receivable		\$ 298,438.52
Due to Current Fund:		
MRNA Collected on-Behalf of		75.00
	62,757,478.60	298,513.52
	76,647,978.37	642,873.15
Decreased by Disbursements:		
2020 Budget Appropriations	13,597,512.50	
2019 Appropriation Reserves	234,247.03	
County Taxes	7,169,585.45	
County Share of Added and Omitted Taxes	31,008.70	
Local District School Tax	36,455,166.00	
Special (Fire) District Tax	3,286,486.00	
Municipal Open Space Tax	280,782.72	
Due to State of New Jersey - Marriage License Fees	2,075.00	
Due to State of New Jersey - DCA Fees	21,993.00	
Due Sewer Authority	65,401.94	
Refund of Tax Overpayments	31,778.75	
Due to Trust Fund Other - Disbursed on Behalf of:		
Tax Title Liens	412,173.62	
Petty Cash	100.00	
Reserve for Federal and State Grant Funds--Appropriated		151,335.73
	61,588,310.71	151,335.73
Balance December 31, 2020	\$ 15,059,667.66	\$ 491,537.42

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

Office

Tax Collector	\$	75.00
Construction Code Office / Animal Control		25.00
	\$	100.00

Exhibit SA-3

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

<u>Office</u>	Received from <u>Treasurer</u>	Returned to <u>Treasurer</u>
Tax Collector	\$ 100.00	\$ 100.00

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

Year	Balance	2020 Levy	Added Taxes	Collections		Due from State of New Jersey	Overpayments Applied	Canceled	Transfer to Arrears	Transfer to Tax Title Liens	Balance
	Dec. 31, 2019			2019	2020						Dec. 31, 2020
Arrears	\$ 33,442.78				\$ 2,351.92				\$ 731.79		\$ 31,822.65
2014	392.71										392.71
2015	634.56										634.56
2016	655.29										655.29
2017	12,057.32										12,057.32
2018	23,573.07									\$ 1,127.02	22,446.05
2019	517,973.51		\$ 6,842.61		489,053.68	\$ 5,163.70		\$ 7,185.67	(731.79)		22,681.28
	588,729.24	-	6,842.61	-	491,405.60	5,163.70	-	7,185.67	-	1,127.02	90,689.86
2020		\$ 57,790,371.49		\$ 506,771.91	56,523,141.92	157,871.13	\$ 514.29	97,470.31		21,830.66	482,771.27
	\$ 588,729.24	\$ 57,790,371.49	\$ 6,842.61	\$ 506,771.91	\$ 57,014,547.52	\$ 163,034.83	\$ 514.29	\$ 104,655.98	\$ -	\$ 22,957.68	\$ 573,461.13

Analysis of 2020 Property Tax Levy

Tax Yield

General Purpose	\$ 54,207,176.36
Special (Fire) District Taxes	3,286,486.00
Added Taxes (R.S. 54:4-63.1 et seq.)	256,763.23
Miscellaneous Added Taxes	39,945.90
	<u>\$ 57,790,371.49</u>

Tax Levy

Local District School Tax	\$ 36,843,156.00
County Taxes:	
County Tax	\$ 6,250,484.34
County Library Tax	555,501.43
County Open Space	363,599.68
Due County:	
Added Taxes (R.S. 54:4-63.1 et seq.)	<u>34,016.02</u>
	7,203,601.47
Local Tax for Municipal Purpose	9,920,732.91
Special (Fire) District Taxes	3,286,486.00
Municipal Open Space	273,702.00
Municipal Open Space--Added Taxes	1,297.39
Add: Additional Tax Levied	<u>261,395.72</u>
	13,743,614.02
	<u>\$ 57,790,371.49</u>

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

Balance December 31, 2019		\$ 190,244.93
Increased by:		
Transfers from Taxes Receivable		22,957.68
		213,202.61
Decreased by:		
Transfer of Lien to Outside Lienholder	\$ 20,419.71	
Cancelled	4,229.82	
Collections	44,961.45	
		69,610.98
Balance December 31, 2020		\$ 143,591.63

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

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Accrued</u> <u>in 2020</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Local Revenues:				
Licenses:				
Alcoholic Beverages		\$ 17,500.00	\$ 17,500.00	
Other		13,853.00	13,853.00	
Fees and Permits		55,803.30	55,803.30	
Fines and Costs:				
Municipal Court	\$ 13,234.80	127,302.78	134,868.81	\$ 5,668.77
Interest on Costs and Taxes		142,162.05	142,162.05	
Hotel Tax		59,380.20	59,380.20	
Cable TV Franchise Fee		59,238.21	59,238.21	
Cellular Tower Lease		61,938.00	61,938.00	
PILOT--New Plan Retail Center		353,945.02	353,945.02	
Rent- Town Hall (Sewer Authority and Fire District)		49,705.00	49,705.00	
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax		1,915,320.01	1,915,320.01	
Garden State Preservation Trust Fund		5,425.00	5,425.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations				
Uniform Construction Code Fees		346,677.00	346,677.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Gov't Services--Other Special Items:				
Interlocal Agreement- Borough of Riverton Municipal Court		89,153.84	89,153.84	
Reserve for Payment of Debt		300,000.00	300,000.00	
	<u>\$ 13,234.80</u>	<u>\$ 3,597,403.41</u>	<u>\$ 3,604,969.44</u>	<u>\$ 5,668.77</u>

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

	Balance		Balances After	Paid or	Balance
	<u>December 31, 2019</u>	<u>Reserved</u>			
	<u>Encumbered</u>				
<u>OPERATIONS--WITHIN "CAPS"</u>					
<u>General Government</u>					
Administrative and Executive					
Salaries and Wages		\$ 408.41	\$ 408.41		\$ 408.41
Other Expenses	\$ 78.00	978.24	1,056.24	\$ 294.00	762.24
Mayor and Committee					
Salaries and Wages		425.00	425.00		425.00
Other Expenses		1,010.32	1,010.32		1,010.32
Municipal Clerk					
Salaries and Wages		2,424.78	2,424.78		2,424.78
Other Expenses	88.94	5,085.42	5,174.36	106.14	5,068.22
Financial Administration					
Salaries and Wages		16,890.56	16,890.56		16,890.56
Other Expenses	3,263.99	10,523.26	13,787.25	3,445.14	10,342.11
Audit - Other Expenses		465.00	465.00		465.00
Collection of Taxes					
Salaries and Wages		1,861.64	1,861.64		1,861.64
Other Expenses		594.45	594.45		594.45
Assessment of Taxes					
Salaries and Wages		316.10	316.10		316.10
Other Expenses		7,813.31	7,813.31	1.00	7,812.31
Legal Services and Costs					
Other Expenses		50,145.49	50,145.49	19,314.76	30,830.73
Information Technology					
Other Expenses	3,500.00	19,814.72	23,314.72	4,815.63	18,499.09
Engineering					
Salaries & Wages		4,557.18	4,557.18		4,557.18
Other Expenses	8,926.25	20,964.75	29,441.00	10,823.25	18,617.75
<u>Land Use Administration</u>					
Planning Board					
Salaries and Wages		506.61	506.61		506.61
Other Expenses		2,072.73	2,072.73	136.28	1,936.45
Zoning Officer					
Salaries and Wages		172.82	172.82		172.82
Other Expenses		3,490.45	3,490.45	192.78	3,297.67
Code Enforcement Officer					
Salaries and Wages		941.58	941.58		941.58
Other Expenses		1,034.81	1,034.81	30.70	1,004.11
Insurance:					
General Liability Insurance		1.00	1.00		1.00
Group Health Insurance		288,739.11	288,739.11		288,739.11
Health Benefit Waivers		15,958.57	15,958.57		15,958.57
<u>Public Safety</u>					
Police					
Salaries and Wages		88,715.11	88,715.11		88,715.11
Other Expenses	6,746.87	65,771.40	72,518.27	11,568.59	60,949.68
Emergency Management Services					
Salaries and Wages		28.94	28.94		28.94
Other Expenses		2,023.58	2,023.58		2,023.58
Municipal Court					
Salaries and Wages		12,293.27	12,293.27		12,293.27
Other Expenses		2,330.33	2,330.33		2,330.33
Municipal Prosecutor					
Salaries and Wages		0.46	0.46		0.46
Other Expenses		3,000.00	3,000.00		3,000.00
<u>Public Works</u>					
Streets and Roads					
Salaries and Wages		6,985.03	6,985.03		6,985.03
Other Expenses	32,573.20	67,564.29	100,137.49	33,543.58	66,593.91
Sanitation					
Other Expenses	44,425.52	24,153.66	68,579.18	62,636.27	5,942.91

(Continued)

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

	Balance		Balances After	Paid or	Balance
	Encumbered	Reserved			
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>					
<u>Public Works (Cont'd)</u>					
Buildings and Grounds					
Other Expenses--Township Buildings	\$ 3,289.40	\$ 26,242.25	\$ 29,531.65	\$ 5,751.12	\$ 23,780.53
Other Expenses--County Library	2,536.00	7,997.28	10,533.28	2,536.00	7,997.28
Motor Vehicle Maintenance					
Salaries and Wages		18,774.82	18,774.82		18,774.82
Other Expenses	9,204.50	32,684.38	41,888.88	14,815.16	27,073.72
Municipal Services Reimbursement:					
Other Expenses		45,803.19	45,803.19	12,711.46	33,091.73
<u>Parks, Recreation and Community Services</u>					
Animal Control					
Salaries and Wages		13.00	13.00		13.00
Other Expenses		3,751.50	3,751.50	90.00	3,661.50
Parks and Recreation Programs Administration					
Salaries and Wages		11,280.96	11,280.96		11,280.96
Other Expenses		9,292.50	9,292.50	1,908.75	7,383.75
Maintenance of Parks and Playgrounds					
Salaries and Wages		21,826.67	21,826.67		21,826.67
Other Expenses	959.62	12,734.94	13,694.56	2,079.02	11,615.54
Community Development					
Salaries and Wages		15.49	15.49		15.49
<u>Utility Expenses and Bulk Purchases</u>					
Electricity		44,212.30	44,212.30	4,493.41	39,718.89
Street Lighting		84,284.74	84,284.74	33,787.53	50,497.21
Telephone		2,431.55	2,431.55	742.50	1,689.05
Water		4,679.85	4,679.85	513.49	4,166.36
Gas Heating		27,944.04	27,944.04		27,944.04
Gasoline / Diesel Fuel		23,525.55	23,525.55	18,867.86	4,657.69
<u>Uniform Construction Code--Appropriations Offset</u>					
<u>by Dedicated Revenues (N.J.A.C. 5:23-4-17)</u>					
State Uniform Construction Code:					
Construction Official					
Salaries and Wages		12,060.25	12,060.25		12,060.25
Other Expenses		29,527.02	29,527.02	3,578.60	25,948.42
<u>Other:</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		0.37	0.37		0.37
Social Security System (O.A.S.I.)		3,176.46	3,176.46		3,176.46
Defined Contribution Retirement Program		3,000.00	3,000.00		3,000.00
<u>OPERATIONS--EXCLUDED FROM "CAPS"</u>					
Recycling Tax (N.J.S.A. 13:1E-96.5)		25,000.00	25,000.00		25,000.00
Interlocal Municipal Services Agreements:					
Shared Services Municipal Court--Borough of Riverton					
Salaries and Wages		1,495.50	1,495.50		1,495.50
Other Expenses		81.36	531.36	527.27	4.09
	<u>\$ 115,592.29</u>	<u>\$ 1,181,898.35</u>	<u>\$ 1,297,490.64</u>	<u>\$ 249,310.29</u>	<u>\$ 1,048,180.35</u>
Disbursed				\$ 234,247.03	
Reimbursed				(216.00)	
Transferred to Accounts Payable				<u>15,279.26</u>	
				<u>\$ 249,310.29</u>	

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

Balance December 31, 2019		\$ 506,771.91
Increased by:		
Collections--2021 Taxes		565,306.45
		1,072,078.36
Decreased by:		
Application to 2020 Taxes Receivable		506,771.91
Balance December 31, 2020		\$ 565,306.45

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

Balance December 31, 2019		\$ -
Increased by:		
Overpayments Collected		40,607.13
		40,607.13
Decreased by:		
Overpayments Applied:		
2020 Taxes	\$ 514.29	
Miscellaneous Cancelled Tax Overpayments	8,314.09	
Refunded Tax Overpayments	31,778.75	
		40,607.13
Balance December 31, 2020		\$ -

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

Balance December 31, 2019		\$ 46,765.36
Increased by:		
Receipts	\$ 159,027.65	
Prior Year Senior Citizens' and Veterans' Deductions Disallowed	<u>5,163.70</u>	
		<u>164,191.35</u>
		210,956.71
Decreased by:		
Senior Citizens' and Veterans' Deductions per Tax Billings	159,000.00	
Senior Citizens' and Veterans' Deductions		
Allowed by Tax Collector:		
2020 Taxes	1,250.00	
2019 Taxes	<u>5,163.70</u>	
	165,413.70	
Deductions Disallowed by Tax Collector - 2020 Taxes	<u>(2,378.87)</u>	
		<u>163,034.83</u>
Balance December 31, 2020		<u><u>\$ 47,921.88</u></u>

TOWNSHIP OF CINNAMINSON
CURRENT FUND
Statement of Municipal Open Space Tax Payable
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 5,783.33
Increased by:		
2020 Levy	\$ 273,702.00	
Added Taxes	<u>1,297.39</u>	
		<u>274,999.39</u>
		280,782.72
Decreased by:		
Disbursements		<u>280,782.72</u>
Balance December 31, 2020		<u><u>\$ -</u></u>

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

Increased by--2020 Levy:

County Tax	\$ 6,250,484.34
County Library Tax	555,501.43
County Open Space	<u>363,599.68</u>

\$ 7,169,585.45

Decreased by:

Disbursements	<u>\$ 7,169,585.45</u>
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TOWNSHIP OF CINNAMINSON
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 31,008.70
Increase by County Share of 2020 Levy:		
2020 Omitted Taxes	\$ 951.77	
2019 Added Taxes	1,372.50	
2020 Added Taxes	31,248.55	
2019 Omitted/Added Taxes	<u>443.20</u>	
		<u>34,016.02</u>
		65,024.72
Decreased by:		
Disbursements		<u>31,008.70</u>
Balance December 31, 2020		<u><u>\$ 34,016.02</u></u>

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

<hr/>		
Balance December 31, 2019		
School Tax Payable	\$ 2,598,784.06	
School Tax Deferred	<u>14,418,170.00</u>	
		\$ 17,016,954.06
Increased by:		
Levy--School Year July 1, 2020 to June 30, 2021		<u>36,843,156.00</u>
		53,860,110.06
Decreased by:		
Disbursements		<u>36,455,166.00</u>
Balance December 31, 2020		
School Tax Payable	2,986,774.06	
School Tax Deferred	<u>14,418,170.00</u>	
		<u>\$ 17,404,944.06</u>
2020 Liability for Local District School Taxes:		
Tax Paid		\$ 36,455,166.00
Add: Tax Payable December 31, 2020		<u>2,986,774.06</u>
		39,441,940.06
Less: Tax Payable December 31, 2019		<u>2,598,784.06</u>
Amount Charged to 2020 Operations		<u>\$ 36,843,156.00</u>

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

Balance December 31, 2019	\$	4,671.00
Increased by:		
Receipts		24,702.00
		29,373.00
Decreased by:		
Disbursements		21,993.00
Balance December 31, 2020	\$	7,380.00

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

Balance December 31, 2019	\$	550.00
Increased by:		
Receipts		1,875.00
		2,425.00
Decreased by:		
Disbursements		2,075.00
Balance December 31, 2020	\$	350.00

TOWNSHIP OF CINNAMINSON
CURRENT FUND
Statement of Interlocal Agreement Receivable -- Borough of Riverton Municipal Court
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 89,153.84
Increased by:	
2020 Billings (Creation of Receivable)	<u>53,846.99</u>
	143,000.83
Decreased by:	
Receipts (Realized Revenue)	<u>89,153.84</u>
Balance December 31, 2020	<u><u>\$ 53,846.99</u></u>

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

Balance December 31, 2019	\$	30,782.78
Increased by:		
Receipts Collected on-Behalf of Current Fund - MRNA Miscellaneous Public Works		75.00
		30,857.78
Decreased by:		
Matching Fund Appropriation		2,534.25
Balance December 31, 2020	\$	28,323.53

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

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Realized as Miscellaneous Revenue in 2020 Budget</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
Federal Grants:				
CARS E Canine Program	\$ 900.00			\$ 900.00
Drunk Driving Enforcement Grant		\$ 13,408.05	\$ 13,408.05	
Drive Sober or Get Pulled Over		4,950.00	4,950.00	
Click-It or Ticket	<u>5,800.00</u>			<u>5,800.00</u>
Total Federal Grants	<u>6,700.00</u>	<u>18,358.05</u>	<u>18,358.05</u>	<u>6,700.00</u>
State Grants:				
US Department of Transportation--Highway Planning Grants:				
NJ DOT - Safe Streets to Transit	68,234.25			68,234.25
NJ DOT - Union Landing Road	61,250.00		61,250.00	
NJ DOT 2012 Municipal Aid (Pomona Road Phase II)	92,078.37			92,078.37
NJ DOT- North Pompess Avenue		245,000.00	175,109.59	69,890.41
Recycling Tonnage Grant		22,838.81	22,838.81	
Municipal Alliance on Alcoholism and Drug Abuse	74,884.44	10,137.00	3,745.12	81,276.32
Clean Communities Program		32,791.19	32,791.19	
Body Armor Grant		2,850.17	2,850.17	
Municipal Alcohol Education and Rehabilitation Program		<u>4,334.40</u>	<u>4,334.40</u>	
Total State Grants	<u>296,447.06</u>	<u>317,951.57</u>	<u>302,919.28</u>	<u>311,479.35</u>
Local Grants:				
Burlington County Park Development and Improvement Program	<u>6,523.04</u>	<u>75,000.00</u>		<u>81,523.04</u>
Total Federal and State Grants Receivable	<u>\$ 309,670.10</u>	<u>\$ 411,309.62</u>	<u>\$ 321,277.33</u>	<u>\$ 399,702.39</u>
Original Budget		\$ 35,825.98		
Appropriation by 40A:4-87		375,483.64		
Unappropriated Grants Realized as Revenue			\$ 22,838.81	
Cash Received			<u>298,438.52</u>	
		<u>\$ 411,309.62</u>	<u>\$ 321,277.33</u>	

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

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Transferred from 2020 Budget Appropriation</u>	<u>Prior Year Encumbrances Reclassified</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2020</u>
Federal Grants:						
Storm Water Regulation Grant	\$ 10,933.00					\$ 10,933.00
Drunk Driving Enforcement Grant	1,343.79	\$ 13,408.05		\$ 7,931.12		6,820.72
Edward Byrne Memorial Justice Assistance Grant Program	14,000.00					14,000.00
National Priority Safety Programs - Highway Traffic	7,200.00			1,470.00		5,730.00
Drive Sober or Get Pulled Over	10,945.00	4,950.00		3,765.00		12,130.00
CARS E Canine Program	431.89					431.89
Total Federal Grants	44,853.68	18,358.05	-	13,166.12	-	50,045.61
State Grants:						
US Department of Transportation--Highway Planning Grants:						
NJ DOT Safe Streets Grant	85,279.95					85,279.95
NJ DOT 2012 Municipal Aid (Pomona Road Phase II)	50,546.38					50,546.38
NJ DOT- North Pompass Avenue		245,000.00				245,000.00
Municipal Alcohol Education and Rehabilitation Program	25,498.56	4,334.40		11,566.54		18,266.42
Body Armor Replacement Grant	4,758.35	2,850.17		5,958.40		1,650.12
Municipal Alliance	75,069.45	12,671.25				87,740.70
Clean Communities Program	11,129.09	32,791.19	\$ 47.29	23,894.30	\$ 4,894.04	15,179.23
Recycling Tonnage	139,933.19	22,838.81		25,589.74		137,182.26
Total State Grants	392,214.97	320,485.82	47.29	67,008.98	4,894.04	640,845.06
Local Grants:						
Burlington County Park Development and Improvement Program	163,292.20	75,000.00		71,160.63		167,131.57
Total Federal and State Grants	\$ 600,360.85	\$ 413,843.87	\$ 47.29	\$ 151,335.73	\$ 4,894.04	\$ 858,022.24
Original Budget		\$ 38,360.23				
Appropriation by 40A:4-87		375,483.64				
Disbursed				\$ 151,335.73		
		\$ 413,843.87		\$ 151,335.73		

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

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Miscellaneous</u> <u>Revenue in</u> <u>2020 Budget</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
State Grants:				
Recycling Tonnage Grant	\$ 22,838.81	\$ 22,838.81	\$ -	\$ -

SUPPLEMENTAL EXHIBITS

TRUST FUND

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

	<u>Animal Control</u> <u>Trust Fund</u>	<u>Other Funds</u>	<u>Municipal Open Space</u> <u>Fund</u>
Balance December 31, 2019	\$ 17,782.51	\$ 2,906,779.66	\$ 229,545.72
Increased by Receipts:			
Due to State of New Jersey	\$ 933.60		
Reserve for Dog Fund Expenditures	7,792.40		
Reserve for Cat Trap Deposits	150.00		
Off Duty Police Receivable		\$ 76,949.00	
Interest Earnings		1,804.41	
Resale of Commodities		53,286.23	
Trust Other Receipts		7,370,117.71	
Due Current Fund:			
Interest Earnings		9,132.19	
Interfunds Received			\$ 5,783.33
Current Year Levy			273,702.00
Added and Omitted Levy			1,297.39
	8,876.00	7,511,289.54	280,782.72
	26,658.51	10,418,069.20	510,328.44
Decreased by Disbursements:			
Reserve for Dog Fund Expenditures	1,033.00		
Due to State of New Jersey--Dog License Fees	933.60		
Reserve for Cat Trap Deposits	150.00		
Reserve for Trust Other Funds		6,836,235.00	
Resale of Commodities		50,605.68	
Off Duty Police Receivable		101,780.00	
Budget Appropriations			220,000.00
	2,116.60	6,988,620.68	220,000.00
Balance December 31, 2020	\$ 24,541.91	\$ 3,429,448.52	\$ 290,328.44

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

Balance December 31, 2019	\$ -
Increased by:	
State Registration Fees Collected	<u>933.60</u>
	933.60
Decreased by:	
Disbursements	<u>933.60</u>
Balance December 31, 2020	<u><u>\$ -</u></u>

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

Balance December 31, 2019		\$ 17,132.51
Increased by:		
Dog and Cat License Fees Collected		7,792.40
		24,924.91
Decreased by:		
Expenditures Under N.J.S.A. 4:19-15.11	\$ 1,033.00	
Statutory Excess - Due Current Fund	7,496.31	
		8,529.31
Balance December 31, 2020		\$ 16,395.60
<u>License Fees Collected</u>		
<u>Year</u>		<u>Amount</u>
2019		\$ 8,052.60
2018		8,343.00
		\$ 16,395.60

ANIMAL CONTROL TRUST FUND
 Statement of Reserve for Cat Trap Deposits
 For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 650.00
Increased by:		
Receipts		150.00
		800.00
Decreased by:		
Disbursements		150.00
Balance December 31, 2020		\$ 650.00

TOWNSHIP OF CINNAMINSON
TRUST -- OTHER FUNDS
Statement of Due (To) / From Current Fund
For the Year Ended December 31, 2020

Balance December 31, 2019 - Due From		\$ 3,966.94
Increased by:		
Receipts Collected by Current Fund on Behalf of:		
Tax Title Liens		366,682.79
Decreased by:		370,649.73
Receipts:		
Interest Earnings	\$ 9,132.19	
Disbursements Made in Current Fund on Behalf of:		
Tax Title Liens	412,133.62	
		421,265.81
Balance December 31, 2020 - (Due To)		\$ (50,616.08)
 <u>Analysis of Balance</u>		
Planning and Zoning Board Escrow		\$ (31,966.46)
Off Duty Police		27,509.61
Resale of Commodities		(8,770.54)
Tax Title Liens		47,934.40
Payroll		(85,323.09)
		\$ (50,616.08)

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

	Increased by				Decreased by		Balance Dec. 31, 2020
	Balance Dec. 31, 2019	Interest Earnings	Other Receipts	Due Current Fund	Disbursements	Due Current Fund	
Reserve for:							
Payroll Deductions	\$ 17,358.34		\$ 3,257,501.10		\$ 3,247,899.99		\$ 26,959.45
Net Payroll			3,087,144.94		3,087,144.94		
Escrow and Bond Deposits	1,490,774.18		454,220.22		279,843.48		1,665,150.92
Housing Trust	374,529.66	\$ 1,687.82	74,322.25		19,525.90		431,013.83
Recycling Equipment	20,350.16						20,350.16
Storm Recovery	60,849.51		7,647.30		7,939.50		60,557.31
Special Law Enforcement	27,371.58	116.59	3,899.57		21,365.02		10,022.72
NJ Unemployment Compensation Insurance	139,417.04		10,468.64		5,591.30		144,294.38
Premiums Received at Tax Sale	333,700.00		465,600.00		155,200.00		644,100.00
Tax Title Lien Redemptions	93,385.23			\$ 366,682.79		\$ 412,133.62	47,934.40
Community Center Donations	2,029.61						2,029.61
Accumulated Absences	94,999.87						94,999.87
Public Defender	3,313.65		8,855.60		10,900.00		1,269.25
Police Donations	6,397.73		428.09				6,825.82
POAA	1,468.00		30.00		824.87		673.13
Recreational Field Usage	3,524.14						3,524.14
	<u>\$ 2,669,468.70</u>	<u>\$ 1,804.41</u>	<u>\$ 7,370,117.71</u>	<u>\$ 366,682.79</u>	<u>\$ 6,836,235.00</u>	<u>\$ 412,133.62</u>	<u>\$ 3,159,704.99</u>

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

Balance December 31, 2019		\$ 235,329.05
Increased by:		
Receipts:		
Tax Levy	\$ 273,702.00	
Added/Omitted Tax Levy	<u>1,297.39</u>	
		<u>274,999.39</u>
		510,328.44
Decreased by:		
Budget Appropriations:		
Debt Service:		
Loan Principal		<u>220,000.00</u>
Balance December 31, 2020		<u><u>\$ 290,328.44</u></u>

TOWNSHIP OF CINNAMINSON
TRUST -- OTHER FUND
Statement of Off Duty Police Receivable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 14,912.50
Increased by:	
Disbursements	<u>101,780.00</u>
	116,692.50
Decreased by:	
Receipts	<u>76,949.00</u>
Balance December 31, 2020	<u><u>\$ 39,743.50</u></u>

TOWNSHIP OF CINNAMINSON
TRUST -- OTHER FUND
Statement of Resale of Commodities Receivable
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 13,084.48
Increased by:		
Disbursement for Outside Commodities		<u>50,605.68</u>
		63,690.16
Decreased by:		
Receipts:		
2019 Receivable	\$ 13,084.48	
2020 Billings	<u>40,201.75</u>	
		<u>53,286.23</u>
Balance December 31, 2020		<u><u>\$ 10,403.93</u></u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

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

Balance December 31, 2019		\$ 2,346,867.75
Increased by Receipts:		
Capital Improvement Fund	\$ 100,000.00	
Refunds of Improvement Authorizations	6,950.00	
Premiums Received on Sale of Bond Anticipation Notes	16,005.22	
Reserve for Payment of Debt Service	<u>2,861,703.11</u>	
		<u>2,984,658.33</u>
		5,331,526.08
Decreased by Disbursements:		
Improvement Authorizations	1,073,906.08	
Current Fund Anticipated Revenue:		
Reserve for Payment of Debt Service	<u>300,000.00</u>	
		<u>1,373,906.08</u>
Balance December 31, 2020		<u><u>\$ 3,957,620.00</u></u>

TOWNSHIP OF CINNAMINSON
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>
		Improvement <u>Authorizations</u>	Miscellaneous	Improvement <u>Authorizations</u>	Miscellaneous	From	To	
Fund Balance	\$ 189,898.64		\$ 16,005.22					\$ 205,903.86
Capital Improvement Fund	72,548.00		100,000.00			\$ 76,790.00		95,758.00
Reserve for Payment of Debt Service	3,931,171.22		2,861,703.11		\$ 300,000.00			6,492,874.33
Reserve for Encumbrances	386,573.74					386,573.74	\$ 264,802.52	264,802.52
Due from Burlington County--Open Space Grant	(103,000.00)							(103,000.00)
Ordinance								
<u>Number</u>								
2000-15 Contributions and Payments for Low and Moderate Housing Units	379,600.00							379,600.00
2008-04 Acquisition of Property for Roadway Improvements	1,365,104.05							1,365,104.05
2009-05 Various Capital Improvements	918.78							918.78
2010-10 Various Capital Improvements	33,463.05							33,463.05
2011-04 Various Capital Improvements	104,050.25							104,050.25
2012-08 Various Capital Improvements	57,188.62			\$ 8,515.49		10,439.59	10,439.59	48,673.13
2013-06 Various Capital Improvements	86,769.33			1,780.00		10,000.00	10,000.00	84,989.33
2014-09 Various Capital Improvements	94,758.00			855.16		42,511.47	42,511.47	93,902.84
2015-08 Various Capital Improvements	(1,493,993.60)	\$ 2,000.00		4,938.08		8,125.45	14,002.53	(1,491,054.60)
2016-07 Various Capital Improvements	(1,566,267.65)			51,210.75				(1,617,478.40)
2016-11 Acquisition of Route 130 Properties	1,828,514.88	4,950.00		41,202.55		862.25	5,862.25	1,797,262.33
2016-12 Various Capital Improvements	(111,557.97)							(111,557.97)
2017-10 Various Capital Improvements	(1,092,124.64)			35,390.02				(1,127,514.66)
2018-07 Various Capital Improvements	(1,107,092.89)			154,869.27			120,000.00	(1,141,962.16)
2018-11 Memorial Park Improvements	(200,161.29)							(200,161.29)
2019-05/ Various Pieces of Equipment and Completion								
2019-06 of Various Capital Improvements	(509,492.77)			360,196.64		181,874.76	187,968.90	(863,595.27)
2020-02 Various Capital Improvements				414,948.12		15,200.00	76,790.00	(353,358.12)
	<u>\$ 2,346,867.75</u>	<u>\$ 6,950.00</u>	<u>\$ 2,977,708.33</u>	<u>\$ 1,073,906.08</u>	<u>\$ 300,000.00</u>	<u>\$ 732,377.26</u>	<u>\$ 732,377.26</u>	<u>\$ 3,957,620.00</u>

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

Balance December 31, 2019		\$ 10,381,257.73
Decreased by:		
Budget Appropriations for:		
Payment of Bonds	\$ 700,000.00	
Burlington County Bridge Commission Loans Payable	220,000.00	
Burlington County Bridge Commission Lease Payable	79,000.00	
Green Acres Loan Payable	<u>38,857.64</u>	
		<u>1,037,857.64</u>
Balance December 31, 2020		<u><u>\$ 9,343,400.09</u></u>

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

Ordinance Number	Balance Dec. 31, 2019	Increased by		Analysis of Balance December 31, 2020		
		2020 Authorizations	Balance Dec. 31, 2020	Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2013-06	Various Capital Improvements	\$ 3,928.00		\$ 3,928.00		\$ 3,928.00
2014-09	Various Capital Improvements	1,225.00		1,225.00		1,225.00
2015-08	Various Capital Improvements	1,577,625.00		1,577,625.00		\$ 1,491,054.60
2016-07	Various Capital Improvements	1,919,000.00		1,919,000.00		1,617,478.40
2016-11	Acquisition of Route 130 Properties	6,650,000.00		6,650,000.00	\$ 6,650,000.00	301,521.60
2016-12	Various Capital Improvements	137,000.00		137,000.00		111,557.97
2017-10	Various Capital Improvements	1,465,150.00		1,465,150.00		1,127,514.66
2018-07	Various Capital Improvements	1,501,000.00		1,501,000.00		1,141,962.16
2018-11	Memorial Park Improvements	209,000.00		209,000.00		200,161.29
2019-05/ 2019-06	Various Pieces of Equipment and Completion of Various Capital Improvements	2,109,000.00		2,109,000.00		863,595.27
2020-02	Various Capital Improvements		\$ 1,459,010.00	1,459,010.00		353,358.12
		<u>\$ 15,572,928.00</u>	<u>\$ 1,459,010.00</u>	<u>\$ 17,031,938.00</u>	<u>\$ 6,650,000.00</u>	<u>\$ 6,906,682.47</u>
						<u>\$ 3,475,255.53</u>
Improvement Authorizations Unfunded						\$ 5,272,517.86
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:						
Ordinance Number:						
2016-11						<u>1,797,262.33</u>
						<u>\$ 3,475,255.53</u>

TOWNSHIP OF CINNAMINSON
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	Prior Year Contracts/ Encumbrances Reclassified	Paid or Charged	Balance Dec. 31, 2020		
				Funded	Unfunded				Funded	Unfunded	
General Improvements:											
2000-15	Contributions and Payments for Low and Moderate Income Housing Units	12/20/00	\$ 380,000.00	\$ 379,600.00					\$ 379,600.00		
2008-04	Various Capital Improvements and Purchase of Equipment Roadway Improvements	05/28/08	20,800,000.00	1,365,104.05			\$ (4,211.00)	\$ (4,211.00)	1,365,104.05		
2009-05	Various Capital Improvements	05/20/09	1,500,000.00	918.78					918.78		
2010-10	Various Capital Improvements	04/19/10	2,000,000.00	33,463.05					33,463.05		
2011-04	Various Capital Improvements	03/21/11	1,600,000.00	104,050.25					104,050.25		
2012-08	Various Capital Improvements	04/16/12	2,120,000.00	57,188.62			10,439.59	18,955.08	48,673.13		
2013-06	Various Capital Improvements	07/16/13	2,246,240.00	86,769.33	\$ 3,928.00		10,000.00	11,780.00	84,989.33	\$ 3,928.00	
2014-09	Various Capital Improvements	05/19/14	2,108,500.00	94,758.00	1,225.00		42,511.47	43,366.63	93,902.84	1,225.00	
2015-08	Various Capital Improvements	05/18/15	1,805,000.00		83,631.40		14,002.53	11,063.53		86,570.40	
2016-07	Various Capital Improvements	04/25/16	2,002,000.00		352,732.35			51,210.75		301,521.60	
2016-11	Acquisition of Route 130 Properties	09/12/16	7,000,000.00		1,828,514.88		5,862.25	37,114.80		1,797,262.33	
2016-12	Various Capital Improvements	09/12/16	223,423.00		25,442.03					25,442.03	
2017-10	Various Capital Improvements	06/19/17	1,697,000.00		373,025.36			35,390.02		337,635.34	
2018-07	Various Capital Improvements	05/21/18	1,580,000.00		393,907.11		120,000.00	154,869.27		359,037.84	
2018-11	Memorial Park Improvements	06/18/18	220,000.00		8,838.71					8,838.71	
2019-05/	Various Pieces of Equipment and Completion										
2019-06	of Various Capital Improvements	05/20/19	2,220,000.00		1,599,507.23		187,968.90	542,071.40		1,245,404.73	
2020-02	Various Capital Improvements	05/18/20	1,535,800.00			\$ 1,535,800.00		430,148.12		1,105,651.88	
				<u>\$ 2,121,852.08</u>	<u>\$ 4,670,752.07</u>	<u>\$ 1,535,800.00</u>	<u>\$ 386,573.74</u>	<u>\$ 1,331,758.60</u>	<u>\$ 2,110,701.43</u>	<u>\$ 5,272,517.86</u>	
Capital Improvement Fund						\$ 76,790.00					
Deferred Charges to Future Taxation Unfunded Reserve for Encumbrances						1,459,010.00					
Disbursements								\$ 264,802.52			
Refund of Improvement Authorizations								1,073,906.08			
								(6,950.00)			
						<u>\$ 1,535,800.00</u>		<u>\$ 1,331,758.60</u>			

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

Balance December 31, 2019	\$ 386,573.74
Increased by:	
2020 Encumbrances Charged to Improvement Authorizations	<u>264,802.52</u>
	651,376.26
Decreased by:	
Prior Year Encumbrances Reclassified	<u>386,573.74</u>
Balance December 31, 2020	<u><u>\$ 264,802.52</u></u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreased By</u>	
			<u>Outstanding December 31, 2020</u>	<u>Amount</u>			<u>Payment of Bonds</u>	<u>Balance Dec. 31, 2020</u>
General Obligation Bonds, Series 2015	09/29/15	\$ 9,345,000.00	07/01/21	\$ 750,000.00	2.00%			
			07/01/22	800,000.00	2.00%			
			07/01/23	825,000.00	2.25%			
			07/01/24	870,000.00	2.25%			
			07/01/25	900,000.00	2.50%			
			07/01/26	900,000.00	3.00%			
			07/01/27	900,000.00	3.00%			
			07/01/28	900,000.00	3.00%			
						<u>\$ 7,545,000.00</u>	<u>\$ 700,000.00</u>	<u>\$ 6,845,000.00</u>
					Current Fund Budget		<u>\$ 700,000.00</u>	

TOWNSHIP OF CINNAMINSON
GENERAL CAPITAL FUND
 Statement of Burlington County Bridge Commission Loans Payable
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreased By</u>	
			<u>Outstanding Date</u>	<u>December 31, 2020 Amount</u>			<u>Payment of Loans</u>	<u>Balance Dec. 31, 2020</u>
Open Space Bonds, Series 2017	03/28/17	\$ 2,216,000.00	08/15/21	\$ 236,000.00	4.000%	<u>\$ 2,204,000.00</u>	<u>\$ 220,000.00</u>	<u>\$ 1,984,000.00</u>
			08/15/22	253,000.00	4.000%			
			08/15/23	261,000.00	4.000%			
			08/15/24	268,000.00	4.000%			
			08/15/25	307,000.00	4.000%			
			02/15/26	162,000.00	4.000%			
			08/15/26	162,000.00	4.000%			
			08/15/27	335,000.00	4.000%			
					<u>\$ 2,204,000.00</u>	<u>\$ 220,000.00</u>	<u>\$ 1,984,000.00</u>	
					<u>\$ 2,204,000.00</u>	<u>\$ 220,000.00</u>	<u>\$ 1,984,000.00</u>	
				Current Fund Budget		\$ -		
				Municipal Open Space Budget		<u>220,000.00</u>		
						<u>\$ 220,000.00</u>		

TOWNSHIP OF CINNAMINSON
GENERAL CAPITAL FUND
 Statement of Burlington County Bridge Commission Lease Payable
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Leases Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreased By</u>	
			<u>Date</u>	<u>Amount</u>			<u>Payment of Lease</u>	<u>Balance Dec. 31, 2020</u>
Various Equipment Purchases and Improvements	07/15/04	\$ 1,468,000.00	07/15/21	\$ 83,000.00	2.50%	<u>\$ 435,000.00</u>	<u>\$ 79,000.00</u>	<u>\$ 356,000.00</u>
			07/15/22	87,000.00	2.50%			
			07/15/23	91,000.00	2.50%			
			07/15/24	95,000.00	2.50%			
			Current Fund Budget			<u>\$ 79,000.00</u>		

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

Balance December 31, 2019	\$ 197,257.73
Decreased by:	
2020 Budget Appropriation to Pay Loans (Current Fund Budget)	38,857.64
Balance December 31, 2020	\$ 158,400.09

Schedule of Loan Payable December 31, 2020

	<u>Interest</u>		<u>Principal</u>
2021	\$ 2,970.81	\$	28,998.57
2022	2,494.33		18,834.94
2023	2,115.75		19,213.52
2024	1,729.55		19,599.71
2025	1,335.61		19,993.67
2026	933.73		20,395.53
2027	523.79		20,805.49
2028	105.59		10,558.66
	\$ 12,209.16	\$	158,400.09
	\$ 12,209.16	\$	158,400.09

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

Balance December 31, 2019	\$ 72,548.00
Increased by:	
Budget Appropriation - Receipts	<u>100,000.00</u>
	172,548.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>76,790.00</u>
Balance December 31, 2020	<u><u>\$ 95,758.00</u></u>

TOWNSHIP OF CINNAMINSON
GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt Service
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 3,931,171.22
Increased by:	
Receipts	<u>2,861,703.11</u>
	6,792,874.33
Decreased by:	
Anticipated as Revenue in Current Fund	<u>300,000.00</u>
Balance December 31, 2020	<u><u>\$ 6,492,874.33</u></u>

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

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
2016-11	Acquisition of Route 130 Properties	02/15/18	02/13/19	02/12/20	2.50%	\$ 6,650,000.00		\$ 6,650,000.00	
	Acquisition of Route 130 Properties	02/15/18	02/11/20	02/10/21	2.00%		\$ 6,650,000.00		\$ 6,650,000.00
						<u>\$ 6,650,000.00</u>	<u>\$ 6,650,000.00</u>	<u>\$ 6,650,000.00</u>	<u>\$ 6,650,000.00</u>
					Renewed		<u>\$ 6,650,000.00</u>	<u>\$ 6,650,000.00</u>	

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	Increased by	
			2020 Authorized	Balance Dec. 31, 2020
2013-06	Various Capital Improvements	\$ 3,928.00		\$ 3,928.00
2014-09	Various Capital Improvements	1,225.00		1,225.00
2015-08	Various Capital Improvements	1,577,625.00		1,577,625.00
2016-07	Various Capital Improvements	1,919,000.00		1,919,000.00
2016-12	Various Capital Improvements	137,000.00		137,000.00
2017-10	Various Capital Improvements	1,465,150.00		1,465,150.00
2018-07	Various Capital Improvements	1,501,000.00		1,501,000.00
2018-11	Memorial Park Improvements	209,000.00		209,000.00
2019-05/ 2019-06	Various Pieces of Equipment and Completion of Various Capital Improvements	2,109,000.00		2,109,000.00
2020-02	Various Capital Improvements		\$ 1,459,010.00	1,459,010.00
		<u>\$ 8,922,928.00</u>	<u>\$ 1,459,010.00</u>	<u>\$ 10,381,938.00</u>

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

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

Schedule of Financial Statement Findings

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

There are no current year findings.

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

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

FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

TOWNSHIP OF CINNAMINSON
 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>
Ryan F. Horner	Mayor	
Albert D. Segrest	Deputy Mayor	
Paul Conda	Committee Member	
Stephanie Kravil	Committee Member	
Ernest McGill	Committee Member	
Julia Edmondson	Chief Financial Officer	(A)
Lisa Passione	Township Clerk	(A)
Sandra J. Root	Tax Collector	(A)
Dennis DeKlerk	Tax Assessor	(A)
Corey Ahart	Judge	(A)
Dana Aldrich	Court Administrator	(A)
Stuart Platt	Solicitor	(A)
Joseph Raday, P.E.	Engineer	(A)
Jerrold D. Colton, Esq.	Prosecutor	(A)
James D. Fattorini, Esq.	Public Defender	(A)
Jeff Winitsky, Esq.	Bond Council	(A)

(A) North Jersey Intergovernmental Joint Insurance Fund, \$1,000,000.00 blanket Bond Coverage

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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



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